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The Workmen's Insurance Code

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OF

Germany

A TRANSLATION

BY

HENRY J. HARRIS, Ph.D.

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THE WORKMEN'S INSURANCE CODE OF JULY 19, 1911, OF GERMANY.

TRANSLATED BY HENRY J. HARRIS, PH. D.

INTRODUCTION.

The Twenty-Fourth Annual Report of the Commissioner of Labor, entitled "Workmen's Insurance and Compensation Systems in Europe," contained a section devoted to the workmen's insurance system of Germany. In this section was given an account of the official plan for the revision and extension of the workmen's insurance system, but at the time the volume was published the German Parliament had not acted on the Government's plan. As finally adopted by the legislative body, a number of changes were made, which makes it necessary to outline briefly the general features of the new codification of all the workmen's insurance laws.

For those who may wish to make a comparison of the new code with the former laws it may be stated that a translation of the law of June 30, 1900, relating to the accident insurance of persons employed in manufacturing and similar industries, was given on pages 2509 to 2552 of Volume II of the report just mentioned, while a translation of the invalidity insurance law of 1899 will be found on pages 966 to 1002 of Bulletin No. 91 of the Bureau of Labor.

The law of July 19, 1911, is a codification of all the legislation relating to the several branches of workmen's insurance in the German Empire. Previous to the date of this act the sickness insurance, the accident insurance, and the invalidity insurance were each regulated by a separate law or series of laws. At the time when the compulsory insurance system was introduced into Germany the plan of having the three branches of insurance adopted simultaneously was considered, but was declared by Bismarck to be a task of such magnitude that no other plan was feasible except to introduce the various branches of insurance one after the other. Furthermore, it was found necessary to introduce the insurance laws for the different industries, one after the other, so that while the first accident insurance law was enacted in 1884 it required five additional laws to cover all the industries which were intended to be included in this branch of the workmen's insurance system. A somewhat similar procedure was followed in the case of the sickness insurance and the invalidity and old-age insurance. All of the insurance laws were revised and to some extent codified between the years 1899 and 1903, but it was not until 1910 that a single law covering all phases of workmen's insurance was drafted by the German Government. The codification

of 1911 therefore represents the experience of a quarter of a century in a system of compulsory insurance covering practically the whole industrial population of the German Empire.

GENERAL FEATURES.

The new workmen's insurance code has retained the former general scheme of organization; although frequently advocated, there has been no attempt to consolidate the organizations conducting the sickness, accident, and invalidity insurance. Separate administrative bodies conduct these three branches of insurance, while the new branch, the insurance for widows and orphans, or as the law terms it, "the survivors' insurance," is carried on by the invalidity insurance organizations. A new feature which the code introduces is the system of government offices to supervise the insurance organizations. The first of these new institutions is designated in the following translation as "local insurance office" (*Versicherungsamt*) and covers a district of small area, usually of one or a few communes or parishes. Above the local insurance office is the so-called "superior insurance office" (*Oberversicherungsamt*), which supervises operations in insurance matters and whose most important function is the work formerly performed by the arbitration courts for workmen's insurance which were abolished by the new law. The central administrative body is the imperial insurance office (*Reichsvericherungsamt*), except in the case of Bavaria, the Kingdom of Saxony, Wurtemberg, and Baden, where State insurance offices (*Landesversicherungsamt*) take the place of the imperial insurance office for insurance organizations located entirely within the boundaries of these States. In all of these Government offices the plan of having representatives of the employers and of the insured persons participate to a large degree in the administration of the insurance has been retained.

SICKNESS INSURANCE.

The workmen's insurance code provides for six types of sickness insurance funds: Local sick funds, rural sick funds, establishment sick funds, guild sick funds, miner's sick funds, and substitute sick funds. The former communal or parish sickness insurance has been abolished. The local insurance funds provide the insurance for the greater number of insured persons, and in particular for persons not included in any of the other groups mentioned above; these funds are practically a continuation of the former local insurance funds and are also intended to provide for persons formerly included in the communal sickness insurance. The rural sick funds are a new institution and are not necessarily confined to rural districts, but may also exist for cities; these funds provide for the sickness insurance of household servants, persons engaged in home working industries, casual laborers, farm laborers, etc. This is the only new

type of insurance fund provided for the sickness insurance. The other types of funds are practically the same as those instituted by former sickness insurance laws; the so-called substitute funds are merely the mutual-aid funds which are recognized under the preceding laws and which are allowed to continue, though under more careful supervision and with certain restrictions as to size, etc. The tendency in the new law has been to encourage sick funds of larger size, as experience had shown that funds with a smaller number of members did not possess a sufficiently extensive actuarial basis.

The groups of persons brought under the compulsory sickness insurance for the first time are the following: Household servants, clerks and apprentices in pharmacies, members of orchestras and theatrical companies, teachers and tutors, persons engaged in home-working industries, ship's crews of German sea-going vessels and the crews of vessels engaged in inland navigation. Voluntary insurance is permitted under more liberal conditions than heretofore.

During the discussion of the provisions of the code an attempt was made to change the proportion of contributions paid by the employer and by the insured persons. As finally enacted, the existing plan of having employers pay one-third and the insured persons two-thirds of the contributions has been retained; in the case of members of guild sick funds, however, the contributions may be levied in the proportion of one-half upon each party.

The benefits of the sickness insurance are practically unchanged in the new law and consist of medical care, a sick wage, hospital care, and care in the home, together with an allowance for the family in the case of hospital treatment; in addition, a pecuniary sick benefit is paid in maternity cases for a period of eight weeks. The funeral benefit consists of 20 times the amount of the wage of the insured person used as a basis for computing dues and benefits. Under the law, the sick funds are allowed to vary these benefits in a number of ways, and likewise the funds may extend the amount and duration of the benefits in certain cases.

ACCIDENT INSURANCE.

The organization of the accident insurance is practically unchanged under the new code. The functions of the former subsidiary insurance institutes (*Versicherungs-Anstalten*) have been slightly increased, and in the future they will be designated as "branch institutes" (*Zweig-Anstalten*). Their special function is to provide insurance for petty business undertakers of all kinds, and more especially in the building trades, livery and hauling, inland navigation, and marine navigation. These branch institutes are subsidiary organizations of the accident association for these industries and are administered either directly or indirectly by the governing bodies of the accident

associations, though the branch institutes as heretofore have a legal and formal separate existence.

The classes of persons insured are still composed of workmen and administrative or operating officials; the latter, however, only in so far as their annual earnings do not exceed 5,000 marks ($1,190), this amount having previously been 3,000 marks ($714).

The new industry branches included in the insurance are certain groups of breweries, pharmacies, tanneries, bath establishments, fishing in inland waters, fish culture, ice cutting, and establishments conducted as a business for the keeping of livery stables for draft animals, riding animals, and breeding animals, and the keeping of conveyances and riding animals.

The accident insurance for agriculture and forestry and for marine navigation is practically unchanged.

The system of collecting assessments each year to cover the expenditures for the preceding year, modified by a reserve the interest of which is intended to reduce the annual assessments, has not been changed. As heretofore, the branch institutes, however, annually collect premiums sufficient to cover the capitalized value of the pension granted instead of using the assessment system. Annual salaries in excess of 1,800 marks ($428) have only one-third of the excess counted. In agriculture a different basis of assessment may be used, namely, the so-called "labor-need," though the land tax, the area cultivated, or some other basis may also be used. No change has been made in the system of risk tariffs for industrial establishments.

The definition of industrial accident has gradually been made more exact during the 25 years' experience under the various laws. The code does not include industrial or occupational diseases as accidents, but authorizes the federal council to include such diseases under accident insurance. The definition of an industrial accident as now prescribed specifies that it must be a sudden event occurring at a specific time, and having a causal connection with the operation of the establishment.

The benefits of the accident insurance have not been changed by the new code.

INVALIDITY AND SURVIVORS' INSURANCE.

The invalidity insurance is conducted by territorial organizations, these organizations being directed by committees, etc., consisting one-half of employers and one-half of insured persons. The governments, either State or local, appoint the officials who conduct the current affairs of these organizations. For a few industries, such as transportation, mining, etc., "special institutes" are allowed to conduct the insurance of persons engaged in these industries.

The new feature of the insurance code is that relating to survivors' insurance, or, as it is popularly called, widows' and orphans' insurance.

This branch of insurance is to be conducted by the territorial organizations which administer the invalidity insurance.

The new groups of persons included under the invalidity insurance are clerks and apprentices in pharmacies and members of orchestras and theater companies. By the decrees of the federal council the invalidity insurance has already been extended to persons engaged in home-working trades, to persons engaged in tobacco industries, and to a large proportion of persons engaged in textile industries. An effort has been made in the code to make the group of persons covered by the invalidity insurance identical with that covered by the sickness insurance. The provisions as to voluntary insurance and as to the continuation of insurance in the case of a person who ceases to be employed in an industry requiring compulsory insurance have been made more liberal. An important innovation is that designated as "voluntary supplementary insurance," according to which the amount of the invalidity pension (but not of the other benefits) can be increased by payments of sums of 1 mark (23.8 cents) at any time and in any amount. Persons who have made such payments receive a supplementary pension equal to an annual sum consisting of 2 pfennigs (0.48 cents) for each mark so paid, multiplied by the number of years between the year of payment and the date of invalidity.

On account of the new features of the invalidity insurance, an increase in dues was necessary; the increase in the lower wage classes was one-fifth or less, while in the three upper wage classes, namely, those persons earning 550 marks ($130.90) or over, the increase in contributions is about one-third. As before, the contributions are paid one-half by the employers and one-half by the insured person, while the Empire annually grants a subsidy of 50 marks ($11.90) to each pension.

The former method of payments of contributions through stamps pasted on receipt cards has been retained; in the case of persons engaged for periods of time such as by a quarter or by the year, the stamps may be affixed at such intervals of time. Under certain circumstances the insured person himself may affix the stamps and require the employer to repay one-half of the contribution. All cards must be renewed at the local office of the insurance institute at least once in two years. The new code restricts the possibility of making effective a claim to a new valid pension which has once lapsed; in particular, the conditions are more strict for persons who have passed their fortieth year of life, and especially difficult for those who have passed their sixtieth year.

Benefits are paid on the occurrence of "invalidity"; that is, a disability caused by sickness or physical defect which prevents the insured person from earning one-third of the amount which a normal

person of similar training and status in life is able to earn. In this case the previous occupation and the person's aptitude for another occupation are taken into account in ascertaining his right to a pension.

Under the code, the invalidity pension consists of an annual subsidy from the Empire, a basic amount fixed by the number of contributions paid and a subsidy of one-tenth of the pension for each child of the pensioner under 15 years of age, with a maximum of five-tenths.

An old-age pension is paid after the completion of the seventieth year of life without regard to the physical condition of the claimant, and has not been changed as to its amount or as to the age limit.

The new widow's pension is a benefit paid to the invalid widow of an insured person, so long as she remains unmarried, and consists of an imperial subsidy of 50 marks ($11.90) annually, plus three-tenths of the invalidity pension of the deceased. The orphan's pension is paid to the orphans of the insured person under 15 years of age and consists of an annual subsidy from the Imperial Government equal to 25 marks ($5.95) and three-twentieths of the invalidity pension of the deceased for one orphan, and one-fortieth of this pension for each additional orphan. The orphan's pension, however, may not exceed the amount of the invalidity pension of the deceased, and the total sum of the orphan's and widow's pensions may not be more than one and one-half times the pension of the deceased.

A new benefit, designated as "widow money," is paid to such persons on the death of the insured person and is equal to the amount of one year's pension of the widow, plus 50 marks ($11.90) imperial subsidy.

Another new benefit is the orphan's benefit, paid when the orphan completes his fifteenth year of life, and is equal to eight times the monthly amount of the orphan's pension, plus 16⅔ marks ($3.97) imperial subsidy.

The date when all of the provisions of the new code are to be put into force is to be announced in the Reichs-Gesetzblatt. The issues of this gazette up to November 1, 1911, have not contained any orders on this subject.[1]

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[1] The periodical Soziale Praxis of Oct. 19, 1911, contained the following statement:

"The postponement of the date when the workmen's insurance code goes into force to Jan. 1, 1913, is announced by the Zentralblatt der Reichsversicherung.

"The difficulties which developed in drawing up the administrative regulations for carrying into effect the imperial insurance code, both on the part of the imperial and of the State officials, made this postponement necessary. In particular, the merging of the existing rules with the new regulations has required more time than was anticipated, and likewise the work necessary in connection with the new application of the insurance status to casual laborers and to the home-working industries showed that the earlier date was impossible, though heretofore the date of July 1, 1912, has been assumed to be the one which would be adopted.

"On the other hand, attention should be called to the fact that the regulations for the introduction of the insurance code, as stated in the introductory law to the code, came into force immediately upon their publication, namely, on Aug. 1, 1911, and that the provisions relating to the invalidity and survivors' insurance (Book Four) come into force on Jan. 1, 1912, without fail. The only question, therefore, is in regard to the regulations concerning the sickness insurance and the accident insurance. According to other reports, a definite date for putting these two parts of the insurance code into force has not yet been determined."

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THE WORKMEN'S INSURANCE CODE.[1]

BOOK ONE—GENERAL PROVISIONS.

SECTION ONE—SCOPE OF THE IMPERIAL INSURANCE.

ARTICLE 1.

Included in the imperial insurance (*Reichsversicherung*) are—
The sickness insurance (*Krankenversicherung*);
The accident insurance (*Unfallversicherung*);
The invalidity and survivors' insurance (*Invaliden- und Hinterbliebenenversicherung*).

ARTICLE 2.

Of the special provisions—
Articles 165 to 536 apply to the sickness insurance;
Artices 537 to 1225 apply to the accident insurance, of which articles 537 to 914 apply to the industrial (*gewerbliche*), articles 915 to 1045 to the agricultural (*landwirtschaftliche*), and articles 1046 to 1225 to the navigation accident insurance (*See-Unfallversicherung*);
Articles 1226 to 1500 apply to the invalidity and suvivors' insurance.

SECTION TWO—CARRIERS OF THE IMPERIAL INSURANCE.

I. DESIGNATION.

ARTICLE 3.

PARAGRAPH 1. The following are the carriers (*Träger*) of the imperial insurance unless this law provides otherwise:
For the sickness insurance, the sick funds (*Krankenkassen*);
For the accident insurance, the employers' mutual trade associations (*Berufsgenossenschaften*);[2]
For the invalidity and survivors' insurance, the insurance institutes (*Versicherungsanstalten*).
PAR. 2. The provisions of articles 4 to 34 apply to these insurance carriers.

II. LEGAL COMPETENCE.

ARTICLE 4.

The carriers of insurance may sue and be sued.

III. ADMINISTRATIVE BODIES.

ARTICLE 5.

PARAGRAPH 1. Each carrier of insurance has a directorate. The latter represents it in and out of court. It has the status of a legal representative.
PAR. 2. Restrictions on the scope of this representation, not specified in the law, may be specified by the constitution, and have effect against third parties. The constitution may do this only in so far as this law permits.
PAR. 3. The constitution may specify, that also individual members of the directorate of the insurance carriers may represent them.

ARTICLE 6.

PARAGRAPH 1. The directorate must notify its supervisory authority within one week of the result of each election and of each change in its composition.
PAR. 2. In so far as the directorate needs credentials, a certificate of the supervisory officials as regards its composition and the extent of its power of representation suffices.

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[1] Reichsversicherungsordnung. (Number 3921.) Vom 19. Juli 1911. Reichs-Gesetzblatt, Aug. 1, 1911, pp. 509 ff.
[2] In the following translation the Berufsgenossenschaften have been designated as "accident associations."

ARTICLE 7.

In urgent matters the directorate may take a vote by correspondence.

ARTICLE 8.

PARAGRAPH 1. If decisions of the administrative bodies of the insurance carrier are contrary to the law or the constitution, the president of the directorate shall appeal from them to the supervisory authority.

PAR. 2. The appeal effects a stay.

ARTICLE 9.

In the administrative bodies their president has the right to vote, and if there is a tie he gives the casting vote.

ARTICLE 10.

The required number of substitutes for the members shall be elected.

ARTICLE 11.

The sessions are not public.

IV. HONORARY OFFICES.

ARTICLE 12.

PARAGRAPH 1. Only Germans who have attained their majority are eligible to the administrative bodies of the insurance carriers.

PAR. 2. The following are not eligible:

1. Persons who in consequence of criminal sentence have lost the right to hold public office, or who are being prosecuted at the time for a crime or misdemeanor which may cause the loss of this right, in case full proceedings have been begun against them;
2. Persons who are limited in the disposition of their property as the result of a court decree.

ARTICLE 13.

PARAGRAPH 1. Whoever regularly employs at least one person subject to insurance, and this person is insured with the insurance carrier, is eligible as a representative of the undertakers (*Unternehmer*)[1] or of other employers.

PAR. 2. Managers of establishments having a power of attorney have the same status as undertakers or other employers; business managers, and establishment officials of participating employers (art. 332, par. 2), have the same status as employers in the election to administrative bodies of sick funds; the legal representatives of members of an accident association have the same status as undertakers in the elections to the administrative bodies of accident associations.

PAR. 3. Members of a public authority with supervisory powers over a carrier of insurance are not eligible.

ARTICLE 14.

PARAGRAPH 1. Only persons insured in the insurance carrier are eligible as representatives of the insured persons.

PAR. 2. In the sickness, invalidity, and survivors' insurance, the insured persons will be accredited to the employers in the composition of the administrative bodies, if they employ regularly more than two persons subject to insurance. In the accident insurance insured members of the accident associations are accredited to the undertakers if they employ regularly at least one person subject to insurance.

ARTICLE 15.

PARAGRAPH 1. The representatives of the undertakers and of other employers and of the insured persons are elected according to the principles of proportional representation.

[1] The undertaker of an establishment is the one for whose account the establishment is conducted. See sec. 633.

PAR. 2. If the voting is restricted to nomination lists, the constitution determines the time limit for their submission; the election is secret, without affecting the nomination lists.

ARTICLE 16.

PARAGRAPH 1. The term of office is four years.

PAR. 2. After the expiration of this term, the elected persons remain in office until their successors take office.

PAR. 3. Whoever ceases to hold office may be reelected.

ARTICLE 17.

PARAGRAPH 1. Whoever is eligible as an undertaker or other employer may refuse election only under the following conditions:

1. If he has completed his sixtieth year of age.
2. If he has more than four legal children under age; those of his children adopted by another will not be included herewith.
3. If he is prevented by sickness or infirmity from administering the office as required by the regulations.
4. If he has more than one guardianship or trusteeship. The guardianship or trusteeship of children of the same parents counts only as one such; two coguardianships are equal to one guardianship; one honorary office of the imperial insurance is equal to one coguardianship.
5. If he employs servants only.

PAR. 2. After a minimum tenure of office of two years, reelection for the next term may be declined.

PAR. 3. The constitution may also specify other reasons for declining.

ARTICLE 18.

An undertaker or other employer declining an election without permissible cause may be punished by the president of the directorate by a fine up to 500 marks [$119].

ARTICLE 19.

The president may fine a member of the directorate who fails to perform his duties not to exceed 50 marks [$11.90], and on repetition with a fine not to exceed 300 marks [$71.40]; if, however, the matter relates to a sick fund, then only up to 100 marks [$23.80]. He must remit the fine if a sufficient excuse is established afterwards.

ARTICLE 20.

The decision of a supervisory authority in appeals on cases referred to in articles 18 and 19 is final.

ARTICLE 21.

PARAGRAPH 1. The persons elected administer their offices without compensation as an honorary office.

PAR. 2. The insurance carrier refunds them their cash expenditures and allows to the representatives of the insured persons reimbursement for earnings lost or in its place a lump sum for loss of time. The constitution may also allow such a lump sum to the representatives of undertakers or other employers.

PAR. 3. The determination of the lump sums requires confirmation by the authority which approves the constitution.

PAR. 4. The honorary members of the directorate shall not at the same time be salaried officials of the insurance carrier.

ARTICLE 22.

The representatives of the insured persons must notify their employer of each call to a meeting of the administrative bodies. If this is done within the required time, their absence from work does not give to the employer a sufficient reason to discontinue the relation of employer without observance of the regular period of notice of dismissal.

ARTICLE 23.

PARAGRAPH 1. The members of administrative bodies are liable for faithful business administration to the carriers of insurance in the same manner as guardians to their wards. The insurance carrier may relinquish claims on account of such liability only with the approval of the supervisory authority. The latter may enforce the liability in the place of and at the expense of the carrier.

PAR. 2. A member who intentionally injures the insurance carrier shall be punished with confinement in jail. In addition the penalty can also include the loss of civic rights. If the member has committed an act to procure for himself or some other person a pecuniary advantage, in addition to the prison sentence a fine not to exceed 3,000 marks [$714] may be imposed.

PAR. 3. During a discussion of those questions which affect the personal interests of a member or his relatives the member must abstain from taking part in the discussion and voting, and during the discussion must leave the room where the discussion takes place.

ARTICLE 24.

PARAGRAPH 1. If facts become known concerning an elected person which prove his ineligibility or his untrustworthiness for the conduct of business, he shall by resolution be removed from office, either by the directorate, or, in the case of a sick fund, by the supervisory authority.

PAR. 2. Before the passing of such a resolution he shall be given an opportunity to make a statement.

PAR. 3. An appeal against the resolution is permissible to the Imperial Insurance Office (decision senate) (*Beschlusssenat*), or, if the case relates to a sick fund, to the superior insurance office (decision chamber) (*Beschlusskammer*).

PAR. 4. An elected person will be relieved of his office on his own application by resolution of the directorate if during his term of office one of the grounds of refusal specified in article 17, paragraph 1, numbers 2 to 5, becomes effective.

V. ASSETS.

ARTICLE 25.

PARAGRAPH 1. The means of insurance carriers shall be used only for legally prescribed and permissible purposes.

PAR. 2. Revenues and expenditures shall be accounted for separately and the assets kept safe separately.

PAR. 3. The insurance carriers shall engage only in such business as is assigned to them by the law.

ARTICLE 26.

PARAGRAPH 1. The assets shall be invested at interest like trust funds (arts. 1807 and 1808 of the Civil Code) in so far as this law does not permit other investments.

PAR. 2. The assets may also be invested in securities in which the laws of the States permit the investment of trust funds, and also in such mortgages, payable to the holder, of German joint-stock mortgage banks, on which the imperial bank (*Reichsbank*) makes loans in Class I.

ARTICLE 27.

PARAGRAPH 1. The highest administrative authority may also approve the investment of the assets in loans of communes or unions of communes in so far as this is not already permissible according to article 26, paragraph 1.

PAR. 2. The authority may limit the investment in certain classes of interest-bearing securities to a specified amount.

PAR. 3. If the district of the insurance carrier embraces territories or parts of territories of several federal States, the approval of their highest administrative authority is required for such investments.

PAR. 4. The highest administrative authority may permit, with the right of withdrawing this permission, that temporarily available assets may be invested in another manner.

ARTICLE 28.

PARAGRAPH 1. Arrears shall be collected in the same manner as communal taxes. The staying effect of objections to the obligation of payment is regulated according to the State laws.

PAR. 2. The constitution of the insurance carrier may determine, as far as not already prescribed by the State laws, that the procedure of collection be preceded by a procedure of warning, and that a fee may be collected for such procedure of warning. This fee is collected in the same manner as arrears. The determination of its amount requires the approval of the supervisory authority.

PAR. 3. Arrears have preference of other claims according to article 61, number 1, of the bankruptcy law (*Konkursordnung*).

ARTICLE 29.

PARAGRAPH 1. The claim to arrears lapses, as far as they have not been fraudulently withheld, in two years after the expiration of the calendar year when they are due.

PAR. 2. The claim for refund of contributions lapses in six months after the expiration of the calendar year of their payment, with reservation as to article 1446, paragraph 2, and articles 1462 and 1464.

PAR. 3. The claim for benefit payments from the insurance carrier lapses in four years after they are due, in so far as this law does not prescribe otherwise.

VI. SUPERVISION.

ARTICLE 30.

The right of supervision of the supervisory authority consists in seeing that the law and constitution are observed.

ARTICLE 31.

PARAGRAPH 1. The supervisory authority may examine at any time the business and accounting management of the insurance carrier.

PAR. 2. The members of its administrative bodies, its district agents (*Vertrauensmänner*), officials, and employees must produce, on demand, to the supervisory authority or its representatives all books, bills, vouchers, and records, and also documents, securities, and assets in their custody, and give all information demanded in the execution of the right of supervision.

PAR. 3. The supervisory authority may require the persons specified in paragraph 2, under reservation of article 985, paragraph 2, to observe the law and the constitution, by fines not to exceed 1,000 marks [$238].

ARTICLE 32.

The supervisory authority may demand that the administrative bodies be called into session; and if such demand is not complied with, may themselves call meetings and take charge of the proceedings.

ARTICLE 33.

The supervisory authority decides, without derogation of the rights of third parties and as far as the law does not prescribe otherwise, in disputes as to the rights and obligations of the administrative bodies, as to the interpretation of the constitution and as to the validity of elections.

ARTICLE 34.

PARAGRAPH 1. Subject to the supervision are also convalescent homes, medical institutions, and sanatoria (*Genesungsheime, Heil- und Pflegeanstalten*) created and maintained by the insurance carrier.

PAR. 2. The supervisory authority may in its inspections call to its assistance representatives of employers and of the insured persons.

SECTION THREE.—INSURANCE AUTHORITIES.

I. GENERAL PROVISIONS.

ARTICLE 35.

PARAGRAPH 1. The public authorities of the imperial insurance are—

The local insurance offices (*Versicherungsämter*) (arts. 36 to 60);

The superior insurance offices (*Oberversicherungsämter*) (arts. 61 to 82);

The Imperial Insurance Office (*Reichsversicherungsamt*) and the State insurance offices (*Landsversicherungsämter*) (arts. 83 to 109).

PAR. 2. As far as this law does not regulate the business management and the procedure of the insurance authorities, it shall be done, with reservation of article 109, paragraph 1, by imperial decree with the approval of the Federal Council.

II. LOCAL INSURANCE OFFICES.

1. Establishment.

ARTICLE 36.

PARAGRAPH 1. In each inferior administrative authority there shall be established a section for workmen's insurance (local insurance office). The highest administrative authority may specify that there shall be established for the districts of several inferior administrative authorities a joint local insurance office.

PAR. 2. The State governments of several federal States may agree to establish for their territories or parts thereof a joint local insurance office in an inferior administrative authority.

ARTICLE 37.

PARAGRAPH 1. The local insurance offices take cognizance of the business of the imperial insurance according to the provisions of this law, and impart information in affairs pertaining to the imperial insurance.

PAR. 2. They may support the insurance carriers in the latters' affairs according to the provisions of this law.

PAR. 3. The State government may assign to the local insurance offices other duties pertaining to miners' insurance.

ARTICLE 38.

In federal States in which the composition of the State authorities does not permit of the establishment of local insurance offices at the inferior administrative authorities and where there exists only a superior insurance office, the local insurance offices can also be established as independent authorities. The highest administrative authority shall specify the details herewith.

2. Composition.

ARTICLE 39.

PARAGRAPH 1. The director of the inferior administrative authority is the president of the local insurance office. One or more permanent substitutes of the president are to be appointed. Any person qualified by education and experience in workmen's insurance affairs may be appointed a substitute.

PAR. 2. The appointment requires the approval of the superior insurance office, in so far as the permanent substitutes are not appointed according to State law in the same manner as the higher administrative officials.

PAR. 3. If the local insurance office is created in a communal authority, the substitutes are appointed by the president of the union of communes whose district contains that of the local insurance office. Where the State law prescribes a confirmation for the election of higher communal officials, it is also applicable to the appointment of substitutes for the president of the local insurance office.

ARTICLE 40.

PARAGRAPH 1. In the cases specified by the law there shall be called in representatives of the insurance (*Versicherungsvertreter*) as associates (*Beisitzer*) of the local insurance office.

PAR. 2. They shall be selected one-half from the employers and one-half from the insured persons.

ARTICLE 41.

PARAGRAPH 1. Their total number must be at least 12; with the approval of the superior insurance office, the number may be augmented by the local insurance office, or by the former after a hearing of the local insurance office.

PAR. 2. A representative of the insurance shall not also be a salaried official of the local insurance office, or a representative of the insurance at another local insurance office, or an associate in a superior insurance office, or a nonpermanent member of the imperial or of a State insurance office.

ARTICLE 42.

PARAGRAPH 1. Representatives of the insurance are elected by the members of the directorates of those sick funds which have at least 50 members in the district of the local insurance office.

PAR. 2. The members of the directorates of the three groups of funds mentioned herewith participate in the election in so far as they have at least 50 members in the district of the local insurance office; of the substitute funds, and funds located outside of the local insurance office, moreover only if they notify in due time the person in charge of the election of their participation and prove the number of their members in this district; these three groups of funds are—

1. The miners' sick funds;
2. The substitute sick funds;
3. The seamen's funds, and other associations of seamen for the preservation of their rights, approved by the authorities.

PAR. 3. In place of the representatives of the insured persons in the directorate, the votes shall be cast by—

In the case of the miners' sick funds, the elders of the miners' sick funds competent for the district of the local insurance office;

In the case of the substitute funds which have local administrative offices, the business managers of the local administrations competent for the district of the local insurance office.

ARTICLE 43.

The number of votes of a fund depends on its number of members in the district of the local insurance office, and shall be determined by the latter before each election. The number of votes shall be evenly divided among the members of the directorates and among the persons entitled to vote in their place according to article 42, paragraph 3.

ARTICLE 44.

PARAGRAPH 1. In the directorates of the funds the members who are employers take part only in the election of representatives of the employers, the members who are insured persons in the election of representatives of the insured persons.

PAR. 2. Directorates which contain no employers, participate only in the election of the representatives of the insured persons.

PAR. 3. In the case of funds of the kind designated in article 42, paragraph 2, which have no representatives of the insured persons in the directorate, the voting is done by other workmen's representatives who are in the fund.

PAR. 4. Whatever relates to the directorates is also applicable to the persons entitled to vote in their place according to article 42, paragraph 3.

ARTICLE 45.

PARAGRAPH 1. The voting is done by written ballot and on the principle of proportional representation. The highest administrative authority decrees the election regulations.

PAR. 2. The president of the local insurance office shall conduct the election.

PAR. 3. Election disputes are decided finally by the superior insurance office.

ARTICLE 46.

PARAGRAPH 1. For the representatives of the insurance, substitutes are specified in the same manner according to need.

PAR. 2. Substitutes replace representatives of the insurance who leave before the expiration of their terms.

ARTICLE 47.

PARAGRAPH 1. Only men who reside or have the seat of their establishment or are employed in the district of the local insurance office, and who are not ineligible according to article 12, are eligible.

PAR. 2. Only insured persons, their employers, and the latters' managers of establishments with power of attorney are eligible. Insured persons are accredited to the employers, if they regularly employ more than two persons subject to insurance.

PAR. 3. In the case of local insurance offices on the seacoast, navigators of practical experience who are not shipowners, or managers of ship-owning establishments (shipping agents, arts. 492 to 499 of the Commercial Code), or who do not hold a power of attorney, may also be elected as representatives of the insured persons.

ARTICLE 48.

At least one-half of the representatives of the insurance must be participants in the accident insurance.

ARTICLE 49.

PARAGRAPH 1. At least one-third of the representatives of the insurance shall reside or be employed at the seat of the local insurance office itself, or not more than 10 kilometers [6.21 miles] distant from it.

PAR. 2. The principal branches of industry, especially agriculture, and the different parts of the district shall be considered in the election.

PAR. 3. The highest administrative authority may decree special or exceptional provisions herewith.

ARTICLE 50.

PARAGRAPH 1. Articles 16, 17, and 22 are correspondingly applicable; but the local insurance office determines the admissibility of other reasons for declining.

PAR. 2. As long and in so far as no election takes place, or the persons elected refuse to perform their duties, the president of the local insurance office appoints representatives from the number of eligible persons.

ARTICLE 51.

PARAGRAPH 1. Whoever declines the election or appointment without a permissible reason, may be punished by the president of the local insurance office with a fine not to exceed 50 marks [$11.90].

PAR. 2. The local insurance office may release a representative from his office if a sufficient reason exists.

PAR. 3. On appeal the superior insurance office (decision chamber) decides finally.

ARTICLE 52.

PARAGRAPH 1. If facts become known concerning a representative of the insurance which prove his ineligibility or which show that he is guilty of malfeasance of his office, he may be removed from his office by the president.

PAR. 2. On appeal the superior insurance office (decision chamber) decides finally.

ARTICLE 53.

PARAGRAPH 1. The president of the local insurance office obligates the representatives of the insurance to the faithful discharge of their duties.

PAR. 2. The president may punish a representative who fails to perform his duties with a fine not to exceed 30 marks [$7.14] and on repetition not to exceed 100 marks [$23.80]. He must remit the fine if afterwards a sufficient excuse is established.

PAR. 3. On appeal the Imperial Insurance Office (decision chamber) decides finally.

ARTICLE 54.

PARAGRAPH 1. The representatives administer their office without compensation as an honorary office.

PAR. 2. The local insurance office shall reimburse them for their cash expenditures.

PAR. 3. In addition it shall grant to the representatives of the insured persons reimbursement for lost earnings, or in place thereof a lump sum for their loss of time. It may also allow such a lump sum to the representatives of the employers. The lump sums require the approval of the superior insurance office (decision chamber).

ARTICLE 55.

The local insurance office may assign specified official duties to the representatives as its district agents.

3. Committees.

ARTICLE 56.

PARAGRAPH 1. Each local insurance office creates one or more judgment committees for matters which this law assigns to the judgment procedure (*Spruchverfahren*).

PAR. 2. The judgment committee (*Spruchausschuss*) consists of the president of the local insurance office and of one representative for the employers and one for the insured persons.

ARTICLE 57.

PARAGRAPH 1. Each local insurance office creates a decision committee (*Beschlussausschuss*) for matters which this law assigns to the decision procedure (*Beschlussverfahren*).

PAR. 2. The decision committee consists of the president of the local insurance office and of two representatives of the insurance. Of these, the representatives of the employers and of the insured persons each elect one from among themselves, together with at least one substitute; the elections of the two parties shall be separate, shall be by simple majority of votes, and the term of office shall be four years.

ARTICLE 58.

The highest administrative authority can specify how far the local insurance office may call in for the decision procedure technical government and communal officials of its district as advisors (*Beiräte*) with consultative vote.

4. Costs.

ARTICLE 59.

PARAGRAPH 1. The federal State defrays all costs of the local insurance office. If the local insurance office is created in a communal authority, they are defrayed by the union of communes whose district embraces that of the local insurance office. The highest administrative authority determines the division of costs, if there is a joint local insurance office created for the districts of several inferior administrative authorities.

PAR. 2. With the exception of the allowances of the insurance representatives, the insurance carriers have to defray the cash expenditures originating from judicial matters (arts. 1591 to 1674) so far as the cash expenditures are not to be defrayed according to paragraph 3.

PAR. 3. Fines, according to article 51, paragraph 1, article 53, paragraph 2, article 1577, paragraph 1, article 1617, paragraph 1, article 1626, paragraph 1, article 1652, paragraph 3, and article 1664, paragraph 1, as well as specially imposed costs of procedure (art. 1802) and contributions according to article 60, accrue to the treasury of the federal State or of the union of communes (par. 1).

ARTICLE 60.

PARAGRAPH 1. In case of the assignment of duties connected with the miners' insurance, to a local insurance office according to article 37, paragraph 3, the miners' associations or miners' funds affected must pay an appropriate contribution toward the costs of the local insurance office.

PAR. 2. The superior insurance office determines the contributions; an appeal against the determination to the highest administrative authority is permissible.

III. SUPERIOR INSURANCE OFFICES.

1. Establishment.

ARTICLE 61.

PARAGRAPH 1. According to the provisions of this law, the superior insurance offices take cognizance of the business of the imperial insurance as higher judicial, decision, and supervisory authorities.

PAR. 2. The State government may assign to them also other duties connected with the miners' insurance.

ARTICLE 62.

PARAGRAPH 1. The superior insurance office is as a rule established for the district of a higher administrative authority.

PAR. 2. The highest administrative authority may delimit the district differently.

PAR. 3. The State governments of several federal States may establish for their territories or parts thereof a joint superior insurance office.

ARTICLE 63.

PARAGRAPH 1. The highest administrative authority may also establish superior insurance offices for—

1. The administration of establishments and service establishments of the Empire or of the federal States which have their own establishment sick funds;
2. Groups of establishments, for whose employees special institutes (*Sonderanstalten*) provide the invalidity and survivors' insurance;
3. Groups of establishments belonging to miners' associations or miners' sick funds.

PAR. 2. For these special superior insurance offices article 62, paragraph 1, and articles 72, 73, and 80 are not applicable. In other respects the provisions relating to superior insurance offices are applicable to them as far as articles 70, 75, and 81 do not prescribe otherwise.

PAR. 3. The highest administrative authority specifies their competence.

ARTICLE 64.

The highest administrative authority may attach the superior insurance offices to superior imperial or State authorities, or may establish them as independent State authorities.

ARTICLE 65.

PARAGRAPH 1. The highest administrative authority specifies the seat of the superior insurance office.

PAR. 2. For a joint superior insurance office the approval of the State governments affected is required.

ARTICLE 66.

The highest administrative authority communicates to the Imperial Insurance Office for publication the seat and district of all superior insurance offices of their territory within one month from their establishment or change.

ARTICLE 67.

If a superior insurance office is attached to a superior imperial or State authority, the director of the latter is at the same time the president of both. A director of the superior insurance office is appointed as his permanent substitute.

2. Composition.

ARTICLE 68.

The superior insurance office is composed of members and of associates.

ARTICLE 69.

PARAGRAPH 1. The superior insurance office shall appoint, at the same time, in addition to the director at least one member as his substitute.

PAR. 2. At least one substitute shall be appointed for each member.

PAR. 3. The members shall be appointed to the principal position or for the term of the principal position from the number of public officials, the director either for life or according to State law, without recall.

ARTICLE 70.

The highest administrative authorities may specify that other official duties shall be assigned to the director, and that the other members, as well as in the case of special superior insurance offices the director, exercise their office as a subsidiary occupation.

ARTICLE 71.

PARAGRAPH 1. The associates shall be elected one-half from the employers and one-half from the insured persons.

PAR. 2. The number of associates is 40; it may be increased or decreased by the highest administrative authority.

PAR. 3. An associate may not at the same time be a nonpermanent member of the Imperial Insurance Office or of a State insurance office.

ARTICLE 72.

PARAGRAPH 1. The industrial accident associations, the navigation accident association, and the executive authorities specify for each superior insurance office an accident association or executive authority to represent their right to vote (art. 73, par. 1). If there is no agreement, the Imperial Insurance Office shall specify the particulars.

PAR. 2. The names of these representative associations and representative executive authorities are to be communicated to the Imperial Insurance Office and to be published by it.

ARTICLE 73.

PARAGRAPH 1. The associates from the employers shall be elected one-half by the employer members in the committee of the competent insurance institute and one-half by the directorates of the competent agricultural associations and of the representative accident association; if representative executive authorities have been specified, they shall vote in place of the directorate of the representative association. The Imperial Insurance Office decrees the election regulations.

PAR. 2. The associates from the insured persons are elected by the representatives of the insured persons of the local insurance offices of the district of the superior insurance office according to the principle of proportional representation. The number of votes of the representatives of the insured persons is determined by the superior insurance office according to the number of sick-fund members of the district of their local insurance office (art. 43). The highest administrative authority decrees the election regulations.

ARTICLE 74.

PARAGRAPH 1. The voting is done by written ballot. The director of the superior insurance office conducts the election.

PAR. 2. Election disputes are decided finally by the superior insurance office (decision chamber).

ARTICLE 75.

PARAGRAPH 1. The employer associates for a special superior insurance office are elected by the employer members of the directorate either of the establishment sick fund, or of the special institute, or of the miners' associations or miners' funds; if there are no representatives of the employers in a directorate, the voting is done by the representatives of employers who belong to another administrative body.

PAR. 2. The associates from the insured persons are elected according to the principles of proportional representation by the committee members of insured persons, either of the establishment sick fund or the special institute, or by the elders of the miners' fund; as far as miners' associations or miners' funds are admitted as special institutes or belong to a special institute, the voting is also done by the elders of the miners' funds; if a special institute has no committee, the voting is done by the representatives of the insured who belong to another administrative body.

PAR. 3. The highest administrative authority specifies the particulars.

ARTICLE 76.

Articles 46 to 48, article 49, paragraphs 2 and 3, and articles 50 to 54 are correspondingly applicable for the election, rights, and duties of associates and their substitutes. Appeals (art. 51, par. 3, art. 52, par. 2, and art. 53, par. 3) are to be directed to the highest administrative authority; fines (art. 51, par. 1, and art. 53, par. 2) may be imposed not to exceed 300 marks [$71.40].

3. Chambers (Kammern).

ARTICLE 77.

PARAGRAPH 1. Each superior insurance office creates one or more judgment chambers (*Spruchkammern*) for matters assigned by this law to judgment procedure (*Spruchverfahren*).

PAR. 2. The judgment chamber is composed of a member of the superior office, as president, and of two associates of the employers and of two of the insured persons.

ARTICLE 78.

PARAGRAPH 1. Each superior insurance office creates one or more decision chambers (*Beschlusskammern*) for matters which this law assigns to the decision procedure (*Beschlussverfahren*).

PAR. 2. The decision chamber is composed of the president of the superior insurance office, of a second member, and of two associates. Of these, the associates of the employers and of the insured persons elect one each, and also at least one substitute each, from their midst, and the election shall be according to a simple majority of votes, for a term of four years.

PAR. 3. In case of a tie, the president casts the deciding vote.

4. Supervision—Costs.

ARTICLE 79.

PARAGRAPH 1. The highest administrative authority exercises the supervision over the superior insurance office.

PAR. 2. They assign to it the necessary employees and provide its business rooms.

PAR. 3. The bureau, clerical, and subordinate employees have the rights and duties of imperial or State officials, except when employed as substitutes, or temporarily, or in preparatory work, the State government determines the particulars herewith.

PAR. 4. The president obligates them to the conscientious discharge of their official duties, so far as they are not already obligated by an oath of office.

ARTICLE 80.

PARAGRAPH 1. The federal State defrays all costs of the superior insurance office.

PAR. 2. The insurance carriers have to pay a lump sum for each case under adjudication in which they are concerned; if in a case costs are to be defrayed according to paragraph 4, the lump sum is correspondingly reduced.

PAR. 3. The lump sums shall be determined by the Federal Council uniformly for the Empire for each branch of the workmen's insurance, and shall be revised every four years. They shall cover half of the costs of the superior insurance offices without the allowances of members and their substitutes and without the fees (art. 1803).

PAR. 4. The fees according to article 1803, the fines according to articles 76 and 1679, as well as the specially imposed costs of procedure (art. 1802), and the contributions according to article 82, accrue to the treasury of the federal State.

ARTICLE 81.

PARAGRAPH 1. All costs of special superior insurance offices created for establishments of the Empire or of a State are to be defrayed by the administrations of the establishments. The receipts (art. 80, par. 4) accrue to the latter.

PAR. 2. All costs of the other special superior insurance offices are to be refunded after deduction of the receipts (art. 80, par. 4) by the insurance carriers participating to the federal State.

ARTICLE 82.

If, according to article 61, paragraph 2, matters of the miners' insurance are assigned to a superior insurance office, then the miners' associations (*Knappschaftsvereine*) and miners' funds (*Knappschaftskassen*) affected have to make appropriate contributions to its costs. The highest administrative authority determines the contributions.

IV. IMPERIAL INSURANCE OFFICE—STATE INSURANCE OFFICES.

1. Jurisdiction—Seat.

ARTICLE 83.

PARAGRAPH 1. The Imperial Insurance Office, according to the provisions of this law, takes cognizance of the affairs of the imperial insurance as the highest authority on judicial, decision, and supervisory matters.

PAR. 2. It has its seat in Berlin.

ARTICLE 84.

Its decisions are final as far as the law does not provide otherwise.

2. Composition.

ARTICLE 85.

The Imperial Insurance Office is composed of permanent and nonpermanent members.

ARTICLE 86.

PARAGRAPH 1. The Emperor appoints the president and the other permanent members for life on proposal of the Federal Council.

PAR. 2. From the permanent members the Emperor appoints the directors and the presidents of senates.

PAR. 3. The imperial chancellor appoints the other members.

ARTICLE 87.

PARAGRAPH 1. The Imperial Insurance Office has 32 nonpermanent members. The Federal Council elects 8 of these, of which at least 6 must be from its membership; 12 are elected as representatives of the employers and 12 as representatives of the insured persons.

PAR. 2. According to need, substitutes shall be elected for the employers and the insured persons in the same manner. If members retire before the expiration of their term of office, the substitutes take their place in the order in which they were elected.

ARTICLE 88.

PARAGRAPH 1. The employers and the insured persons are elected separately by written ballot under the direction of the Imperial Insurance Office, the insured persons according to the principles of proportional representation, the employers according to a simple majority of votes, in which a tie shall be decided by lot.

PAR. 2. The proportion of votes of each electing body is determined by the Federal Council according to the number of their insured persons. It may specify the manner of electing by districts.

PAR. 3. The Imperial Insurance Office publishes the result of the election.

ARTICLE 89.

Of the 12 employers, 6 are elected by the employer members belonging to the committees of insurance institutes and of the corresponding representations of the special institutes, as follows:

Four from the field of the industrial accident insurance;
Two from that of the agricultural accident insurance.

ARTICLE 90.

The other 6 employers shall be elected by the directorates of the accident associations and by the executive authorities, and, furthermore, from the field of each of them, as follows:

Four from the industrial associations and executive authorities, one of whom shall be from the navigation accident association;
Two from the agricultural accident associations and executive authorities.

ARTICLE 91.

The 12 insured persons shall be elected by the insured persons who are associates of the superior insurance offices, as follows:

Eight from the field of the industrial and navigation accident insurance, of whom one shall be from the field of the navigation accident insurance;
Four from the field of the agricultural accident insurance.

ARTICLE 92.

Only men are eligible who are not excluded according to article 12.

ARTICLE 93.

PARAGRAPH 1. The following are eligible as employers: The members of accident associations who are entitled to vote, their legal representatives, the managers of their establishments with power of attorney, and the officials of establishments for which an executive authority has been appointed.

PAR. 2. Moreover, there are eligible, according to article 89, employers who are members of the committee of an insurance institute or of the corresponding representation of a special institute.

ARTICLE 94.

Eligible as insured persons are persons insured against accident according to this law; furthermore, insured persons who are members of the committee of an insurance institute, even if they are not insured against accident; and for the field of the navigation accident insurance, navigators of practical experience who are not shipowners, managers of shipowning establishments, or authorized representatives thereof.

ARTICLE 95.

Article 49, paragraph 2, and articles 50 to 52, article 53, paragraphs 2 and 3, are correspondingly applicable; but the Imperial Insurance Office (decision senate), however, is competent for punishment (art. 51, par. 1, and art. 53, par. 2) and removal from office (art. 52). Fines (art. 51, par. 1, and art. 53, par. 2) may be imposed not to exceed 500 marks ($119).

ARTICLE 96.

PARAGRAPH 1. The nonpermanent members receive a yearly allowance for their participation in the work and sessions of the Imperial Insurance Office, and, in so far as they reside outside of Berlin, refund of traveling expenses coming and returning, according to the rates in force for advisory councilors (*Vortragende Rate*) of the highest imperial authorities.

PAR. 2. Substitutes receive the same refund of traveling expenses and a per diem allowance of 18 marks ($4.28).

ARTICLE 97.

The imperial chancellor obligates the nonpermanent members elected by the Federal Council, the president of the Imperial Insurance Office obligates the other members and their substitutes, before they enter on their duties, to the faithful discharge of their duties.

3. Senates.

ARTICLE 98.

PARAGRAPH 1. The Imperial Insurance Office forms judgment senates (*Spruchsenate*) for matters which this law assigns to judgment procedure.

PAR. 2. The judgment senate is composed of a president, a nonpermanent member elected by the Federal Council, a permanent member, two officials of the judiciary called in for this purpose, an employer, and an insured person. A permanent member may take the place of the member elected by the Federal Council.

ARTICLE 99.

PARAGRAPH 1. The president, a director, or a president of the senate presides in the judgment senate. The imperial chancellor may intrust another permanent member with the chairmanship.

PAR. 2. The imperial chancellor summons the officials of the judiciary to the judgment senate.

ARTICLE 100.

PARAGRAPH 1. The Imperial Insurance Office creates decision senates (*Beschlusssenate*) for matters which this law assigns to the decision procedure.

PAR. 2. The decision senate consists of the president, or of one director, or of a senate president as presiding officer, and of the following: A nonpermanent member elected by the Federal Council, a permanent member, an employer, and an insured person. A permanent member may take the place of the member elected by the Federal Council.

ARTICLE 101.

PARAGRAPH 1. The Imperial Insurance Office creates the great senate (*Grossen Senat*) for the duties which this law assigns to that body.

PAR. 2. With reservation of enlargement according to article 1718, paragraph 2, the great senate consists of the president or his representative, two members elected by the Federal Council, two permanent members, two officials of the judiciary, two employers, and two insured persons.

ARTICLE 102.

PARAGRAPH 1. If all the members of the Imperial Insurance Office elected by the Federal Council are prevented from serving, permanent members shall be called in to take their place.

PAR. 2. The other members of the great senate and at least two substitutes for each shall be designated in advance for one fiscal year according to detailed provision of imperial decree (art. 35, par. 2). Of these there shall be designated two permanent members and two officials of the judiciary and their substitutes for each of the following subjects:

Sickness insurance;
Accident insurance;
Invalidity, and survivors' insurance.

4. Accounting bureau—Costs.

ARTICLE 103.

PARAGRAPH 1. An accounting bureau (*Rechnungstelle*) is to be established in the Imperial Insurance Office.

PAR. 2. It executes the work assigned to it by this law. It supports the Imperial Insurance Office in its accounting and technical insurance work. The Imperial Insurance Office specifies the nature of the information to be furnished to it for this purpose by the insurance carriers.

ARTICLE 104.

PARAGRAPH 1. The Empire bears the costs of the Imperial Insurance Office, inclusive of the costs of procedure.

PAR. 2. The fines according to articles 95 and 1698, paragraph 1, article 1701, paragraph 1, as also the specifically imposed costs of procedure (art. 1802), accrue to the imperial treasury.

5. State insurance offices.

ARTICLE 105.

PARAGRAPH 1. A State insurance office which was established before this law, for the territory of a federal State, may remain in existence as long as there are under its jurisdiction at least four superior insurance offices.

PAR. 2. As far as this law so prescribes, the State insurance office takes the place of the Imperial Insurance Office for this territory.

PAR. 3. The costs of the State insurance office are borne by the federal State.

ARTICLE 106.

PARAGRAPH 1. The State insurance office consists of permanent and nonpermanent members.

PAR. 2. The State government appoints the permanent members. They are to be appointed either for life or according to the State law, without recall as far as their appointment is for the actual office.

PAR. 3. At least eight representatives of the employers and eight representatives of the insured persons shall be elected under the direction of the State insurance office, by written ballot, as nonpermanent members. One-half of them shall come from the agricultural and the other half from the industrial accident insurance.

ARTICLE 107.

PARAGRAPH 1. Article 87, paragraph 2, and articles 88 to 97, are correspondingly applicable for the election, rights, and duties of the members, in so far as article 106, paragraph 3, or the following pages do not provide otherwise.

PAR. 2. The highest administrative authority takes the place of the Federal Council and of the imperial chancellor.

PAR. 3. The employers are elected by—

1. The employer members in the committees of the insurance institutes and in the corresponding representative bodies of special institutes, created for or embracing the territory of the federal State.
2. The directorates of the accident associations and the executive authorities embracing establishments with their seat in the territory of the federal State. Where this territory is identical with the district of one or more sections, the section directorates elect in place of the association directorates.

PAR. 4. The insured persons are elected by the insured persons who are associates of those superior insurance offices which are created for or embrace the territory of the federal State.

PAR. 5. The State government determines the proportion of votes according to the number of insured persons.

ARTICLE 108.

PARAGRAPH 1. The removal of a nonpermanent member is decided upon by the State insurance office.

PAR. 2. Articles 98 to 100, and 104, paragraph 2, are correspondingly applicable for the State insurance office; the highest administrative authority takes the place of the Federal Council and of the imperial chancellor; the treasury of the federal State takes the place of the imperial treasury.

ARTICLE 109.

PARAGRAPH 1. As far as this law does not regulate the business management and the procedure of the State insurance office, it is done by the State government.

PAR. 2. The State government specifies the allowances to nonpermanent members.

SECTION FOUR.—OTHER GENERAL PROVISIONS.

I. AUTHORITIES.

ARTICLE 110.

The highest administrative authority may transfer to other authorities some of the duties and rights assigned to them by this law.

ARTICLE 111.

PARAGRAPH 1. The highest administrative authority specifies—

1. Which State authority and which authorities and representative bodies of unions of communes and of communes are competent for the duties which this law assigns to the superior and inferior administrative authorities, to the local police authorities, to the communal authorities, to the unions of communes, and to the communes, as well as their authorities and representatives.
2. Which unions are to be considered as unions of communes; a single commune is only then considered a union of communes in the meaning of the law if so specified by the highest administrative authority.
3. Whether and which local business of the imperial insurance shall be transacted by communal authorities in place of the local insurance offices.

PAR. 2. The specifications shall be published in the Reichsanzeiger.

ARTICLE 112.

If at least half the members of the administrative bodies are composed of representatives of the insurance elected by secret ballot, the highest administrative authority may assign duties of the local insurance office to administrative bodies of—

Miners' associations or of miners' funds.

Establishment sick funds for establishment administrations and service establishments of the Empire and of the federal States.

Special institutes of the Empire and federal States.

Judicial duties may not be transferred.

ARTICLE 113.

PARAGRAPH 1. If an insurance authority, an insurance carrier, or an establishment embraces territories of several federal States, the State government or the highest administrative authority of the federal State of its seat, takes cognizance of the powers which this law assigns to the State government or to the highest administrative authority as far as is not otherwise prescribed.

PAR. 2. If the State governments or the highest administrative authorities do not agree, where this law prescribes their cooperation, the Federal Council decides between the State governments, and the imperial chancellor between the administrative authorities. The same is applicable if they do not agree as to their competency, or in case of paragraph 1, as to the seat.

PAR. 3. The imperial chancellor exercises the rights of the highest administrative authority for the establishments of the Empire and for their special insurance authorities and for insurance carriers.

ARTICLE 114.

The provisions of this law are also applicable for the independent manors and marches (*ausmärkische Bezirke*). The lord of the manor or the march authorities (*Gemarkungsberechtigte*) exercise there the rights and duties in place of the communes.

II. LEGAL ASSISTANCE.

ARTICLE 115.

PARAGRAPH 1. The public authorities are required to comply with all requests pertaining to the execution of this law coming to them from insurance and other public authorities and from administrative bodies of the insurance carriers, especially to execute all decisions which may be carried out.

PAR. 2. Supervisory transactions as described in article 347, paragraph 4, article 404, paragraph 3, and articles 888, 1465, and 1470, may be demanded only under the conditions named therein.

ARTICLE 116.

The administrative bodies of the insurance carriers have to give this legal assistance to each other as well as to the authorities and poor-law unions.

ARTICLE 117.

Per diem allowances, traveling expenses, fees for witnesses and experts, and all other cash expenditures arising out of legal assistance, must be paid by the insurance carriers as their own administrative costs.

III. BENEFITS.

ARTICLE 118.

Benefits granted according to this law or to supplementary State laws, and relief given in their place through the transfer of the claims, are not public charities.

ARTICLE 119.

PARAGRAPH 1. The claims of the persons entitled thereto may, with reservation of article 1325, only be legally transferred, assigned, or attached—

1. To cover an advance on his claims received by the person entitled to benefits either from the employer or from an administrative body of the insurance carrier or one of its members, before the allowance of the benefits.
2. To cover claims designated in article 850, paragraph 4, of the Code of Civil Procedure (*Zivilprozessordnung*).
3. To cover claims from communes, poor-law unions, and the employers and funds representing them, entitled to reimbursement according to article 1531; transfer, assignment, and attachment are only permissible up to the amount of legal claims for reimbursement.
4. To cover arrears of contributions which have been overdue not longer than three months.

PAR. 2. As an exceptional measure, the person entitled thereto may also transfer the claim in other cases, wholly or partly, to other persons, with the approval of the local insurance office.

ARTICLE 120.

PARAGRAPH 1. To inebriates not under guardianship, benefits in kind may be granted wholly or partly. This must be done on demand of a poor-law union affected or of the communal authority of the place of residence of the inebriate. In the case of inebriates under guardianship, the granting of the benefits in kind is only permissible with the approval of the guardian. On his demand it must be done.

PAR. 2. The commune where the claimant resides grants the benefits in kind. The claim to cash benefits is transferred to the commune up to the value of the payments in kind received. Benefits in kind may also be granted by placing him in a sanatorium for inebriates or with approval of the commune, through the intervention of an institution for inebriates.

PAR. 3. A balance of cash benefits is to be assigned to the husband or wife of the person entitled to compensation, his children or his parents, or, in case he has none, to the commune to be used for him.

ARTICLE 121.

PARAGRAPH 1. The local insurance office (decision committee) decrees the order after a hearing of the communal authority and of the person entitled to benefits and communicates it in writing to them and to the insurance carrier. It decides in disputes between the communal authority and the person entitled to benefits.

PAR. 2. On appeal the superior insurance office decides finally.

PAR. 3. When the case relates to cash benefits of the accident or of the invalidity and survivors' insurance the insurance carrier notifies the Post Office Department if the claim to cash benefits has been finally transferred to the commune.

IV. MEDICAL TREATMENT.

ARTICLE 122.

PARAGRAPH 1. The medical treatment in the meaning of this law shall be given by registered physicians, and for dental diseases by registered dental surgeons (*approbierte Zahnärzte*) (art. 29 of the Industrial Code). It includes assistance of other persons as barber surgeons, midwives, medical helpers, medical attendants, nurses, masseurs, etc., as also dental assistants (*Zahntechniker*), but only in the case of an order by the physician (or dental surgeon) or in urgent cases, if no registered physician (or dental surgeon) is available.

PAR. 2. The highest administrative authority may specify how far otherwise assistants may give independent treatment within the limits of their powers as authorized by the State.

ARTICLE 123.

In the case of dental diseases, but excluding diseases of the mouth or gums, treatment may be given with the approval of the insured person by dental assistants in addition to dental surgeons. The highest administrative authority specifies how far dental assistants may give otherwise independent treatment in case of such dental diseases. This authority may specify how far this may also be done by medical helpers and medical attendants. It specifies further who is to be considered a dental assistant in the meaning of this law.

V. TIME LIMITS.

ARTICLE 124.

PARAGRAPH 1. If the beginning of a time limit is determined by an event or point of time, the time limit begins with the day following the event or the point of time.

PAR. 2. If a time limit is extended, the new time limit begins with the expiration of the old one.

ARTICLE 125.

PARAGRAPH 1. A time limit determined by days ends with the expiration of its last day, a time limit determined by weeks or months with the expiration of that day of the last week or the last month which corresponds according to name or number to the day on which the event or the point of time falls.

PAR. 2. In case the corresponding day is missing in the last month, the time limit ends with the month.

ARTICLE 126.

In case it is not necessary for a period of months or years to be continuous, then the month will be reckoned as having 30 days and the year as having 365 days.

ARTICLE 127.

PARAGRAPH 1. In case the day set for the statement of intention or for a payment or for the expiration of a time limit falls on a Sunday or a general holiday recognized by the State in the place of declaration or of payment, then the succeeding working day takes its place.

PAR. 2. This provision is not applicable for the duration of benefits to which an insurance carrier is bound.

ARTICLE 128.

PARAGRAPH 1. So far as this law does not provide otherwise, legal measures are to be inaugurated within one month after delivery of the contested decision.

PAR. 2. For seamen sojourning outside of Europe this time limit is determined by the office which decreed the contested decision; it must be at least three months from the date of delivery.

ARTICLE 129.

PARAGRAPH 1. So far as this law does not provide otherwise, legal measures shall be inaugurated at the office which has to make the decision.

PAR. 2. The time limit is considered as observed when the legal measures have been received in time by another German authority or by an administrative body of the insurance carrier, or in case of the navigation accident insurance also by a German marine office (*Seemannsamt*) in a foreign country.

PAR. 3. The legal documents are to be delivered immediately to the competent authority.

ARTICLE 130.

Legal measures effect a stay only in cases where the law so provides.

ARTICLE 131.

PARAGRAPH 1. In case an interested person has been kept by natural events or by other unavoidable accidents from observing the legal time limit of procedure, he shall on application be granted reinstatement to his previous status.

PAR. 2. On application reinstatement will also be granted if the document received too late has been mailed at least three days before the expiration of the time limit.

ARTICLE 132.

PARAGRAPH 1. In the case of article 131, paragraph 1, application for reinstatement must be made within a period, the duration of which shall be determined by the duration of the period lapsed. The period begins with the day on which the preventing cause was removed.

PAR. 2. In cases of article 131, paragraph 2, application for reinstatement shall be made within one month. The period begins with the day on which the interested party learns that he has not observed the time limit.

PAR. 3. No application for reinstatement may be made after the expiration of two years from the end of the time limit.

ARTICLE 133.

PARAGRAPH 1. The application for reinstatement shall—

1. State the facts forming the basis for the reinstatement;
2. Indicate the means to make these facts evident;
3. Make good the lapsed transaction if it has not already been done.

PAR. 2. The application is made to the authority where the time limit has lapsed; article 129, paragraphs 2 and 3, are correspondingly applicable. The decision rests with the authority which decides upon the action which has later been made good.

ARTICLE 134.

PARAGRAPH 1. The procedure concerning the application shall be combined with that concerning the action made good later, but the application may first of all be discussed and decided alone.

PAR. 2. For the decision concerning the admissibility of the application and its contesting, the same provisions are applicable as for the action made good later.

VI. NOTIFICATIONS.

ARTICLE 135.

PARAGRAPH 1. Notifications which start a time limit may be made by registered letter.

PAR. 2. The postal receipt justifies after two years from its making out, the assumption that delivery has been made within the regular time limit after the mailing.

ARTICLE 136.

PARAGRAPH 1. Persons not living in Germany must upon demand designate a person authorized to receive notifications.

PAR. 2. If the abode is unknown and a person authorized to receive notifications has not been designated within the time limit set, then an announcement in the business rooms of the authority or of the proper office may take the place of the notification; the time limit must not be less than one month.

VII. FEES AND STAMP TAXES.

ARTICLE 137.

All proceedings and documents necessary to the insurance carriers and insurance authorities to establish and transact the legal relations between the insurance carriers on the one hand and the employers or insured persons or their survivors on the other, are exempt from fees and stamp taxes, as far as this law does not provide otherwise.

ARTICLE 138.

The same is applicable for proceedings out of court and documents of this kind, and for such nonofficial powers of attorney and official certificates which, according to this law, become necessary for identification and authentication.

VIII. PROHIBITIONS AND PENALTIES.

ARTICLE 139.

PARAGRAPH 1. Employers and their employees, as well as insurance carriers, are prohibited from restricting insured persons in the acceptance or discharge of an honorary office of the imperial insurance, or from injuring them on account of the acceptance or manner of discharge of such an honorary office. The employers and their employees are further prohibited from preventing either wholly or partly, either through agreements or working regulations, the application of the provisions of this law to the injury of the insured persons.

PAR. 2. Agreements conflicting herewith are void.

ARTICLE 140.

Employers or their employees infringing article 139, paragraph 1, shall be punished by fines not to exceed 300 marks [$71.40] or by imprisonment as far as they are not liable to more severe penalty in accordance with other legal provisions.

ARTICLE 141.

PARAGRAPH 1. The persons named below, if they disclose without authority what they have learned while performing their official duty about diseases or other invalidity of insured persons, or the causes thereof, shall be punished by fines not to exceed 1,500 marks [$357] or by imprisonment for not more than three months; prosecution shall be instituted only on application of the insured person or of the supervisory authority; these persons are—

A member of an administrative body or an employee of an insurance carrier;
A member or an employee of an insurance authority;
A representative or associate in an insurance authority.

PAR. 2. Other persons for whom this law provides a benefit from an insurance carrier are considered as insured persons.

ARTICLE 142.

PARAGRAPH 1. The following persons, if they disclose business or trade secrets which they have learned while performing their official duties, shall be punished with fines not to exceed 1,500 marks [$357], or with confinement in jail:

Persons designated in article 141, paragraph 1;
Special experts according to article 880;
Members of committees for the decision of appeals made under article 1000, paragraph 2, and of protests made under article 1023, paragraph 1.

PAR. 2. If this is done to injure the undertaker, or to procure for themselves or other persons pecuniary advantages, they shall be punished by imprisonment. In addition to the prison sentence they may be punished with the loss of their civic rights and fines not to exceed 3,000 marks [$714].

PAR. 3. Prosecution in the case mentioned in paragraph 1 shall be instituted only on application of the undertaker.

ARTICLE 143.

The persons designated in article 142, paragraph 1, shall be punished with imprisonment if they make use of business or trade secrets to the disadvantage of the undertaker or to procure for themselves or other persons a pecuniary advantage. In addition to imprisonment they may be sentenced to the loss of their civic rights and fined not to exceed 3,000 marks [$714].

ARTICLE 144.

In cases mentioned in article 142, paragraph 2, or article 143, if there are mitigating circumstances, the punishment shall be a fine not to exceed 3,000 marks [$714].

ARTICLE 145.

In the case of officials subject to the rules of service of a State or communal authority, the provisions applicable for them take the place of articles 141 to 144.

ARTICLE 146.

PARAGRAPH 1. With reservation of article 59, paragraph 3, article 80, paragraph 4, article 104, paragraph 2, article 108, paragraph 2, and articles 914, 1045, and 1224, fines accrue to the treasury of the insurance carrier; those imposed by a court only then when this law so provides.

PAR. 2. Fines, except such as are imposed by a court, shall be collected in the same manner as arrears.

ARTICLE 147.

Contraventions of this law for which the courts are not competent, expire by limitation in three months, if not punishable with a fine of more than 300 marks [$71.40], otherwise in one year. The period of limitation begins with the day on which the act was committed. It is interrupted by any action directed against the violator by the bodies competent to impose a penalty. With the interruption begins a new period of limitation; it ends at the latest with the expiration of 10 years from the day on which the contravention took place.

ARTICLE 148.

Punishments imposed finally and not decreed by the courts expire by limitation in two years. The period of limitation begins with the day on which the decision became final. It is interrupted by any action directed to the execution of the punishment by the bodies charged with the execution. With the interruption begins a new period of limitation; it ends at the latest with the expiration of four years from the day on which the decision became final.

IX. LOCAL WAGE RATE.

ARTICLE 149.

PARAGRAPH 1. As the local wage rate that rate shall be used which is the daily wage customarily paid in the locality to ordinary day laborers.

PAR. 2. The superior insurance office determines and publishes the local wage rate. The directorates of the insurance institutes affected shall be previously given a hearing; the local insurance office shall express an opinion after having given a hearing to the communal authorities and to the directorates of the sick funds affected.

ARTICLE 150.

PARAGRAPH 1. The local wage rate shall be determined separately for men and for women, for insured persons under 16 years, for those between 16 and 21 years, and for those over 21 years.

PAR. 2. The insured persons under 16 years (juveniles) may be classified as young persons of 14 years and over and children of less than 14 years; apprentices are considered as young persons.

PAR. 3. In other respects the local wage rate as determined uniformly according to the average for the whole district of each local insurance office. Exceptions are permissible when there are considerable differences in the amount of wages in different localities or between city and country.

ARTICLE 151.

PARAGRAPH 1. The local wages are determined at the same time for the whole Empire, at first until December 31, 1914, afterwards always for four years. Changes in the interim shall only be in force until the next general determination.

PAR. 2. All changes shall come into use only two months after their publication.

ARTICLE 152.

Before the beginning of each four-year term the imperial chancellor shall publish in the Zentralblatt für das Deutsche Reich a list of all determinations in force, and also at least annually a list of changes made in the meantime.

X. PLACE OF EMPLOYMENT.

ARTICLE 153.

PARAGRAPH 1. The place of employment is the place in which the employment actually takes place.

PAR. 2. For insured persons who are employed at a definite work place (establishment, place of service), this shall be considered also as the place of employment, while they are performing elsewhere pieces of work of short duration for the employer.

PAR. 3. The same is applicable to insured persons who are employed at various times from a definite place of work on single pieces of work in districts of various local or rural sick funds.

PAR. 4. It is further applicable to insured persons who are only employed on single pieces of work outside of the definite work place, if both the latter and their place of employment are situated in the district of the same local insurance office.

ARTICLE 154.

For employed persons for whom no definite work place is provided, the seat of the establishment is considered as the place of employment.

ARTICLE 155.

For insured persons who have been engaged by the administration of an establishment for a varied employment to be carried on in different communes, that commune where the immediate management of the work has its seat is to be considered as the place of employment. After a hearing of the interested administrations and communes or unions of communes the superior insurance office can specify otherwise in this regard.

ARTICLE 156.

For insured persons employed at an agricultural occupation, changeable in various communes, the seat of the establishment (arts. 963 and 964) is considered as the place of occupation.

XI. LEGISLATION OF FOREIGN COUNTRIES.

ARTICLE 157.

PARAGRAPH 1. So far as other countries have put into operation a system of relief corresponding to the imperial insurance, the imperial chancellor, with the approval of the Federal Council and with due regard to reciprocity, may make agreements as to what extent the relief shall be regulated according to the imperial insurance or the relief provisions of the other country for establishments overlapping from the territory of one country into that of another, as well as for insured persons temporarily occupied in the territory of the other country.

PAR. 2. Likewise if there is a reciprocal consideration, the insurance of citizens of a foreign country may be regulated otherwise than according to the provisions of this

law, and the operation of the relief of the one country be facilitated in the territory of the other. In these agreements the obligation of the employers to pay contributions according to this law must not be reduced or done away with. The Reichstag must be notified of these agreements.

PAR. 3. These provisions are correspondingly applicable in the case ef a relief which takes the place of the imperial insurance.

ARTICLE 158.

With the approval of the Federal Council, the imperial chancellor can decree that a right to reimbursement may be exercised against subjects of a foreign State or their legal successors.

XII. GENERAL DEFINITIONS.

1. Employments subject to insurance.

ARTICLE 159.

With reservation of the provisions of articles 551, 928, and 1062, the employment of husband or wife by the other does not establish any insurance obligation.

2. Earnings.

ARTICLE 160.

PARAGRAPH 1. In the meaning of this law, earnings consist not only of salaries of wages, but also of participation in profits, receipts in kind, or other receipts which the insured person receives from the employer or a third party in place of salary or wages or in addition to them, even if it is only a matter of custom.

PAR. 2. The value of receipts in kind shall be reckoned according to local prices, which are to be determined by the local insurance office.

3. Agriculture.

ARTICLE 161.

In so far as there are no different provisions, the provisions of this law relating to agricultural establishments, agricultural employers, agricultural undertakers, and agricultural employees, are also applicable to forestry establishments, forestry employers, forestry undertakers, and forestry employees.

4. Persons engaged in home-working industries.

ARTICLE 162.

PARAGRAPH 1. In the meaning of this law, those independent workmen who manufacture or prepare industrial products in their own workrooms on the order and for the account of others are considered as persons engaged in home-working industries.

PAR. 2. They are also considered as such if they themselves procure the raw or auxiliary materials, as well as for the time during which they work temporarily for their own account.

5. German seagoing vessels.

ARTICLE 163.

Every vessel sailing under the German flag, and used exclusively or preferably (*vorzugsweise*) for maritime navigation, is considered as a German seagoing vessel. Merely because natives of protectorates display the flag of the Empire (art. 10 of the protectorate law, Reichs-Gesetzblatt, 1900, p. 812), the ship does not become a German seagoing vessel in the meaning of this law.

6. Fiscal year.

ARTICLE 164.

The fiscal year shall be the calendar year.

BOOK TWO—SICKNESS INSURANCE.

SECTION ONE—SCOPE OF THE INSURANCE.

I. COMPULSORY INSURANCE.

ARTICLE 165.

PARAGRAPH 1. The following are insured against sickness:

1. Workmen, helpers, journeymen, apprentices, and servants.
2. Establishment officials, foremen, and other employees in similar higher positions, if such employment is for all of them their principal occupation.
3. Clerks and apprentices in commercial establishments, and clerks and apprentices in pharmacies.
4. Members of the stage and of orchestras, without regard to the artistic value of their services.
5. Teachers and tutors.
6. Persons engaged in home-working industries.
7. The crews of German seagoing vessels, provided that they are subject neither to articles 59 to 62 of the Navigation Code (Reichs-Gesetzblatt, 1902, p. 175, and 1904, p. 167), nor to articles 553 to 553b of the Commercial Code; also the crews of vessels engaged in inland navigation.

PAR. 2. The prerequisite of insurance for all persons designated in paragraph 1, under Nos. 1 to 5 and No. 7, with the exception of all classes of apprentices, is that they shall be employed for compensation (art. 160), and that for those designated under Nos. 2 to 5 as well as for masters of vessels, that their regular annual earnings in the form of compensation do not exceed 2,500 marks [$595].

ARTICLE 166.

The special provisions of articles 416 to 494 are applicable to the insurance of persons employed in agriculture, as servants, of persons employed temporarily or in itinerant trades, of persons engaged in home industries and their home-working employees, as well as of all classes of apprentices employed without compensation.

ARTICLE 167.

If when this law comes into force, other groups of employees are subject to insurance in a Federal State according to State laws, then the State government may decree that in case of sickness they are insured according to this law, and may determine the particulars thereof.

ARTICLE 168.

The Federal Council determines how far temporary services are exempt from the insurance.

ARTICLE 169.

PARAGRAPH 1. Exempt from the insurance are persons employed in the establishments or in the service of the Empire, of a Federal State, of a union of communes, of a commune, or of an insurance carrier, if there has been guaranteed to them from their employers a claim at least equal to the sick benefits in the amount and duration of the regular benefits of sick funds (art. 179), or for the same period, to salary, retirement pension, part pay or similar receipts equal to one and a half times the amount of the pecuniary sick benefits (art. 182).

PAR. 2. The same is applicable to teachers and tutors of public schools and institutions.

ARTICLE 170.

PARAGRAPH 1. On application of the employer, persons employed in the establishments or in the service of other public unions or public corporations shall be exempted by the highest administrative authorities from the insurance obligation if they have been guaranteed one of the claims designated in article 169 from their employer, or if they are only being trained for their profession.

PAR. 2. The same is applicable for officials and employees of the court, domanial, cameralistic, forest, and similar administrations of the State sovereigns, of the ducal regency of Brunswick, and of the administration of the entailed estates of the princes of Hohenzollern.

ARTICLE 171.

On application of the employer, the highest administrative authority may also specify how far persons employed in establishments or in the service of nonpublic corporations, or as teachers and tutors of nonpublic schools or institutions are exempt from the insurance, if there has been guaranteed to them from their employer one of the claims designated in article 169, or if they are being trained solely for their occupation.

ARTICLE 172.

The following are exempt from the insurance:

1. Officials of the Empire, of the federal States, of the unions of communes, of the communes, and of the insurance carriers, and teachers and tutors in public schools or institutions, as long as they are being trained solely for their occupation;
2. Military persons who carry on during their service, or during their training for a civil employment, one of the occupations designated in article 165, to whom article 169 is to be applied;
3. Persons who are employed in teaching for compensation during their scientific training for their future occupation;
4. Members of ecclesiastical societies, deaconesses, sisters of schools and similar persons, if because of religious or ethical motives they are employed in nursing, education, or other activities of public benefit and do not receive as compensation more than free maintenance.

ARTICLE 173.

Upon his application, a person able to work permanently only to a small extent shall be exempted from the insurance obligation so long as the poor-law union which is liable for relief at the time agrees thereto.

ARTICLE 174.

On application of the employer, the following shall be exempted from the insurance obligation:

1. Apprentices of every kind, so long as they are employed in the establishment of their parents;
2. Persons temporarily employed during unemployment in workmen's colonies or similar benevolent institutions.

ARTICLE 175.

PARAGRAPH 1. The directorate of the fund decides on the application for exemption (arts. 173, 174). The exemption becomes effective from the time of the receipt of the application.

PAR. 2. If the application is refused, the local insurance office on appeal decides finally.

II. VOLUNTARY INSURANCE.

ARTICLE 176.

PARAGRAPH 1. The following persons may join the insurance voluntarily if their total yearly income does not exceed 2,500 marks [$595]:

1. Employees exempt from insurance of the kind designated in article 165, paragraph 1;
2. Members of the family of the employer, engaged in his establishment, without any specific employment relation and without compensation;
3. Industrial and other undertakers of establishments, who regularly employ either no one or at the most two persons subject to insurance.

PAR. 2. The Federal Council specifies how far, under similar assumption, persons exempted from insurance according to article 168 may join the insurance voluntarily.

PAR. 3. The constitution of the sick fund may make the right to join dependent on a certain age limit and on the presentation of a health certificate from a physician. The establishment of an age limit requires the approval of the superior insurance office.

ARTICLE 177

If when this law becomes effective there are other groups in a federal State which according to State law have the right to join the insurance voluntarily, then this right shall be regulated according to detailed specifications issued by the highest administrative authority.

ARTICLE 178.

The right to voluntary insurance ceases in every case where the regular total yearly income exceeds 4,000 marks [$952].

SECTION TWO—BENEFITS OF THE INSURANCE.

I. GENERAL PROVISIONS AS TO BENEFITS.

ARTICLE 179.

PARAGRAPH 1. The benefits provided by the insurance consist of the benefits of the sick funds (art. 225) in the form of sickness benefits, maternity benefits, and funeral benefits, as prescribed in this book.

PAR. 2. These benefits are considered as the regular benefits of the sick funds, and also even when the constitution makes use of the provisions of articles 188 and 192.

PAR. 3. The additional benefits specified by the constitution are also objects of the insurance; they may be granted only so far as this book provides.

ARTICLE 180.

PARAGRAPH 1. The cash benefits of the fund shall be computed according to a basic wage. As such basic wage the constitution shall specify the average daily compensation of those classes of insured persons for whom the fund has been established, but not to exceed 5 marks [$1.19] per working day.

PAR. 2. The constitution may also determine the average daily compensation according to the various rates of wages of the insured persons by classes up to 6 marks [$1.43].

PAR. 3. The determination requires the approval of the superior insurance office (decision chamber).

PAR. 4. In place of the average daily compensation the constitution may specify as the basic wage the actual earnings of the individually insured persons up to 6 marks [$1.43] per working day.

PAR. 5. For persons who voluntarily join the insurance, for whom no basic wage can be ascertained according to the above, the constitution shall specify the same.

ARTICLE 181.

PARAGRAPH 1. In the case of rural sick funds the constitution may specify the local wage rate as the basic wage.

PAR. 2. But for establishment officials, foremen, and other persons in similar higher positions, and also for artisans, the basic wage shall be determined according to article 180. In districts without general local sick funds the same is applicable to the insured persons who according to the nature of their employment should belong to such a fund.

PAR. 3. In districts without a rural sick fund the constitution of the general local sick fund may specify the local wage rate as the basic wage for the insured persons who according to the nature of their employment should belong to a rural sick fund; in this connection paragraph 2, sentence 1, is correspondingly applicable. The superior insurance office can order the insertion of such a provision.

PAR. 4. In the case of insured persons whose basic wage in accordance with the above is specified otherwise than as the regular basic wage of the sick fund, the fund must keep a separate account for their contributions and benefits in so far as the highest administrative authority does not provide otherwise.

II. SICKNESS BENEFITS.

ARTICLE 182.

As sickness benefits (*Krankenhilfe*) shall be granted the following:

1. Sickness care (*Krankenpflege*) from the beginning of the sickness on; it includes medical attendance, and supply of medicines, eyeglasses, trusses, and other minor therapeutic appliances;
2. Pecuniary sick benefit (*Krankengeld*) in the amount of half the basic wage for each working day, if the sickness incapacitates the insured person for work; it is granted beginning with the fourth day of sickness, but if the disability begins later, then from the day of its beginning.

ARTICLE 183.

PARAGRAPH 1. The sick benefits terminate at the latest with the expiration of the twenty-sixth week from the beginning of the sickness, but if the pecuniary benefit has been received beginning with a later date, then from this later date. If there was a period during the receipt of pecuniary benefit in which only medical care was granted, then for not more than 13 weeks this period shall not be included for the duration of the receipt of pecuniary benefit.

PAR. 2. If the pecuniary benefit has to be paid after the twenty-sixth week from the beginning of the sickness, then with its receipt the claim to medical care terminates.

ARTICLE 184.

PARAGRAPH 1. In place of medical care, the sick fund may grant treatment and maintenance in a hospital (hospital treatment—*Krankenhauspflege*). This requires the consent of the patient if he has a household of his own, or if he is a member of the household of his family.

PAR. 2. In the case of a minor over 16 years of age, his consent is sufficient

PAR. 3. His consent is not required if—

1. The nature of the sickness demands a treatment or care which is not possible in the family of the patient;
2. The sickness is infectious;
3. The patient has repeatedly acted contrary to the sickness regulations (art. 347) or to the orders of the attending physician;
4. His condition or his conduct make continuous observation necessary.

PAR. 4. In the cases mentioned in paragraph 3, Nos. 1, 2, and 4, the sick funds shall, if possible, grant hospital treatment.

PAR. 5. Whenever several suitable hospitals are available which are willing to undertake the hospital treatment on the same conditions, the sick fund shall, under reservation of article 371, leave the choice to the beneficiary.

ARTICLE 185.

PARAGRAPH 1. With the consent of the insured person, the sick fund may grant care and attendance by nurses, nursing sisters, or other attendants, particularly in the cases where the admission of the patient to a hospital seems necessary, but can not be effected, or when there is an important reason for leaving the patient in his household or with his family.

PAR. 2. For this purpose the constitution may permit a deduction up to one-fourth of the pecuniary benefit.

ARTICLE 186.

Whenever hospital care has been granted to an insured person who has supported dependents either wholly or principally from his earnings, there shall in addition be paid to the dependents house money (*Hausgeld*) equal to one-half of the amount of the pecuniary sick benefit. The house money may be paid directly to the dependents.

ARTICLE 187.

The constitution may—

1. Extend the duration of the sick benefits up to one year;
2. Grant care for convalescents up to the duration of one year after the expiration of the sick benefits;
3. Permit the granting of such appliances to prevent disfigurement or deformity, which after the completion of the medical treatment become necessary in order to restore or maintain the ability to work.

ARTICLE 188.

If insured persons have already received the pecuniary sick benefit or the benefits substituted therefor for 26 weeks successively or collectively within 12 months, either on the basis of the imperial insurance or from a miners' sick fund or a substitute fund, then the constitution may limit the sick benefits to the regular benefits and to a total duration of 13 weeks in a new case which occurs during the next 12 months. This is only applicable where the sick benefits are demanded on account of the same cause of sickness which has not been removed.

ARTICLE 189.

PARAGRAPH 1. Where an insured person draws a pecuniary sick benefit at the same time from another insurance, the sick fund has to reduce its benefit to such an extent

that the total pecuniary sick benefit of the member does not exceed the average amount of his daily earnings.

PAR. 2. The constitution may refrain from making the reduction either as to all of it or part of it.

ARTICLE 190.

When they make claim to the pecuniary sick benefit or its equivalent, the constitution may require the members to communicate to the directorate the amount of the benefits which they are receiving at the same time from another sickness insurance. The question as to which sickness insurance provides the benefits is not permissible.

ARTICLE 191.

PARAGRAPH 1. The constitution may increase the pecuniary sick benefit up to three-fourths of the basic wage and grant it generally for Sundays and holidays.

PAR. 2. The constitution may grant the pecuniary sick benefit from the first day of the disability in cases of sickness either lasting longer than one week, or resulting in death, or caused by industrial accidents, or with approval of the superior insurance office, also in other cases of sickness.

ARTICLE 192.

The constitution may refuse the pecuniary sick benefit to members either wholly or partly if—

1. They have injured the sick fund by an act punishable by loss of civic rights, for the duration of one year after the act;
2. The sickness has been caused intentionally or by culpable participation in brawls or disorderly conduct, for the duration of such sickness.

ARTICLE 193.

PARAGRAPH 1. With the approval of the superior insurance office, the constitution may establish a maximum amount for minor therapeutic appliances, and also specify that the fund may grant an additional allowance up to this amount for major therapeutic appliances.

PAR. 2. It may grant for the care of patients still other means besides minor therapeutic appliances, particularly special diet for sickness.

PAR. 3. In the case of insured persons who voluntarily remain members of a sick fund (art. 313) the constitution may grant them in the place of the sick care an amount equal to at least one-half of the pecuniary sick benefit, if they are not residing in the district of the sick fund or of the local insurance office.

ARTICLE 194.

The constitution may—

1. Increase the house money up to the amount of the legal pecuniary sick benefit;
2. Grant to insured persons, for whom no house money is to be paid, a pecuniary sick benefit up to one-half of its legal amount in addition to hospital treatment.

III. MATERNITY BENEFITS.

ARTICLE 195.

PARAGRAPH 1. Women lying-in who in the preceding year before their confinement have been insured against sickness at least six months on the basis of the imperial insurance or in a miners' sick fund shall receive a maternity benefit in the amount of the pecuniary sick benefit for eight weeks, six of which must fall in the period after confinement.

PAR. 2. In the case of members of rural sick funds who are not subject to the Industrial Code the constitution must specify that the duration of the receipt of maternity benefits shall be at least four weeks, but not more than eight weeks.

PAR. 3. The pecuniary sick benefit shall not be granted in addition to the maternity benefit. The weeks after the confinement must be consecutive.

ARTICLE 196.

PARAGRAPH 1. With the consent of the women lying-in, the sick fund may—

1. Grant in place of the maternity benefit, medical treatment and maintenance in a lying-in home;

2. Grant treatment and attendance by home nurses and deduct for it not more than one-half of the maternity benefit.

PAR. 2. Article 186 is correspondingly applicable in the case of number 1.

ARTICLE 197.

If a woman lying-in has been insured during the last year in several sick funds, miners' sick funds, or substitute funds, then on demand the amount of the maternity benefit shall be repaid by the other funds to the sick fund liable for the benefits, according to articles 195 and 196, in proportion to the duration of her membership.

ARTICLE 198.

The constitution may grant either to married women subject to insurance or to all females subject to insurance under the requisites mentioned in article 195, paragraph 1, the services of a midwife and the services of an obstetrician if such become necessary at the confinement.

ARTICLE 199.

In the case of pregnant women who have belonged at least six months to the sick fund, the constitution may—

1. Grant them a pregnancy benefit in the amount of the pecuniary sick benefit for a total duration of not more than six weeks, if they become incapacitated for work on account of their pregnancy;
2. Include in the duration of this benefit the time of the granting of a maternity benefit before confinement;
3. Grant the services of a midwife and medical treatment if such become necessary for ailments incidental to pregnancy.

ARTICLE 200.

The constitution may grant to women lying-in of the class designated in article 195, paragraph 1, a nursing benefit up to the amount of one-half of the pecuniary sick benefit and up to the expiration of the twelfth week after the confinement, so long as they themselves nurse their newborn children.

IV. FUNERAL BENEFITS.

ARTICLE 201.

As a funeral benefit, there shall be paid at the death of an insured person twenty times the amount of the basic wage.

ARTICLE 202.

If, while a member of a sick fund, a sick person dies from the same sickness within one year after the expiration of the sick benefits, the funeral benefit shall be paid: *Provided*, That he has been incapacitated for work up to his death.

ARTICLE 203.

From the funeral benefit are first defrayed the costs of burial, and they shall be paid to the person who has taken care of the burial. In case there is a surplus, then in the following order—the husband or wife, the children, the father, the mother, and the brothers and sisters are successively entitled to receive it, provided that they were living in the same household with the deceased at the time of his death. In the absence of such persons the surplus reverts to the sick fund.

ARTICLE 204.

The constitution may increase the funeral benefit up to forty times the amount of the basic wage; it may also establish the minimum amount at 50 marks [$11.90].

V. BENEFITS TO THE FAMILY.

ARTICLE 205.

The constitution may grant—

1. Sickness care to members not subject to insurance, of the family of an insured person.

2. A maternity benefit to the wife not subject to insurance, of an insured person.
3. A funeral benefit on the death of a wife or husband or a child of an insured person. It may be fixed for the wife or husband at not more than two-thirds, for a child at not more than one-half of the funeral benefit of a member, and is to be reduced by the amount of any funeral benefit for which the deceased himself was insured according to law.

VI. GENERAL PROVISIONS.

ARTICLE 206.

For persons subject to the insurance the claim to the regular benefits begins with their membership (arts. 306 to 308).

ARTICLE 207.

The constitution may specify that the claim of persons entitled to insurance who have voluntarily joined the sick fund shall begin only after a waiting term of not more than 6 weeks.

ARTICLE 208.

It may specify that the claim to additional benefits of the fund shall begin only after a waiting term of not more than 6 months after their admittance. Such a provision shall not be applicable to members who, during the last 12 months have already had for at least 6 months a claim to the additional benefits of a sick fund or a miners' sick fund.

ARTICLE 209.

PARAGRAPH 1. By separation from membership this waiting term can be interrupted for the duration of not more than 26 weeks.

PAR. 2. For members who leave in order to perform their compulsory service in the army or navy the above duration is increased by this period of service.

ARTICLE 210.

With the exception of funeral benefits, the cash benefits shall be paid at the expiration of each week.

ARTICLE 211.

In cases where the insurance has already begun the benefits may be increased but not reduced by amendments to the constitution; changes in the basic wage shall have no influence.

ARTICLE 212.

PARAGRAPH 1. If an insured person who is receiving cash benefits goes over to another fund, the latter takes over the further payment of benefits according to its constitution. The period during which benefits have already been received shall be included in counting the duration of the benefits.

PAR. 2. The insured person shall receive additional benefits only if he has already acquired a claim to additional benefits in his former sick fund.

ARTICLE 213.

If a sick fund has accepted the contributions for a person for 3 months without interruption and without objection, after application has been made in due form and not intentionally incorrect, and if it develops, after an insurance case occurs, that the person was not subject to insurance and was not entitled to insurance, then the sick fund must nevertheless grant him the benefits prescribed by the constitution.

ARTICLE 214.

PARAGRAPH 1. Insured persons who leave the fund on account of lack of employment (*Erwerbslosigkeit*) and who in the preceding 12 months have been insured either not less than 26 weeks or for 6 weeks immediately previous to leaving the fund, shall retain their claim to the regular benefits of the sick fund: *Provided*, That the case of insurance occurs during unemployment and within 3 weeks after leaving the fund. On application the sick fund must certify to the beneficiary his claim for these benefits.

PAR. 2. A funeral benefit shall also be granted even after the expiration of the 3 weeks if the sick benefits have been paid up to the time of death.

PAR. 3. If the unemployed person remains in a foreign country and if the constitution does not provide otherwise the claim shall cease.

ARTICLE 215.

PARAGRAPH 1. If the Federal Council specifies that persons not subject to insurance according to article 168 may join the insurance voluntarily, it may restrict the regular benefits either to medical care and to hospital treatment without house money, or to their substitutes (art. 185) without pecuniary sick benefit.

PAR. 2. For those persons who join the insurance voluntarily the constitution, with the approval of the superior insurance office, may restrict the sick-fund benefits either to the same extent or restrict them to the pecuniary sick benefit.

PAR. 3. For such insured persons the contributions shall be correspondingly reduced.

ARTICLE 216.

PARAGRAPH 1. Sick benefits shall be suspended—

1. As long as the beneficiary is serving a prison term or is in jail pending trial or has been placed in a workhouse or reformatory; if the insured person has become incapacitated for work through sickness, and if he has supported wholly or partly his dependents by his earnings, then they shall be granted house money (art. 186).
2. For beneficiaries who, after the case of insurance has occurred, without approval of the directorate of the sick fund voluntarily go to a foreign country, for the length of their abode there without this consent; the Federal Council may suspend the stopping of the claim for certain border territories.
3. For foreign beneficiaries so long as they are expelled from the territory of the Empire on account of condemnation in a penal procedure. The same applies to foreign beneficiaries who have been expelled from the territory of a federal State because of condemnation in a penal procedure, so long as they do not stay in another federal State.

PAR. 2. If the beneficiary has dependents in Germany to whom the constitution allows family benefits then these benefits shall be granted.

ARTICLE 217.

PARAGRAPH 1. When, after a case of insurance has occurred, an insured person relinquishes his abode in Germany, without a suspension of sick benefits, the sick fund may settle with him by the payment of a lump sum. This must correspond to the value of the cash benefits to which he would be entitled in Germany according to the probable duration of the sickness; in such case three-eighths of the basic wage shall be reckoned for medical care.

PAR. 2. In case of a dispute in regard to the settlement, the opinion of the physician agreed upon by the affected parties, otherwise of the official physician, is decisive.

ARTICLE 218.

Articles 216 and 217 are correspondingly applicable to maternity benefits, as also in the case of article 205, Nos. 1 and 2, for the family members entitled to benefits.

ARTICLE 219.

PARAGRAPH 1. Sick persons who reside outside of the district of their sick fund receive, on demand of their sick fund, the benefits to which they are entitled from the general local sick fund of their place of residence. If a special local sick fund or a rural sick fund for insured persons of their kind is in operation there, it must grant the benefits.

PAR. 2. The same is applicable to family members entitled to benefits, as also to unemployed persons who have left the insurance (art. 214).

ARTICLE 220.

The same is applicable to an insured person who falls ill during a temporary sojourn outside of the district of his sick fund, as long as he can not return to his place of

residence on account of his condition. An application from his fund is not necessary, but within one week after the case of insurance occurred the sick fund which grants the benefits must notify the sick fund of the insured person, and as far as possible must carry out the latter's wishes as regards the nature of the relief.

ARTICLE 221.

If an insured person falls ill in a foreign country he receives from the employer the benefits to which he is entitled from his sick fund as long as his condition does not permit of his returning to Germany. The employer must notify the sick fund within one week of the occurrence of the case of insurance, and must carry out as far as possible its wishes as regards the nature of the relief. The sick fund may itself take over the relief.

ARTICLE 222.

In the cases of articles 219 to 221 the sick fund of the insured person must refund the costs to the other sick fund or to the employer. In such case three-eighths of the basic wage shall be considered as reimbursement for the cost of the sick care.

ARTICLE 223.

PARAGRAPH 1. Claims to sick benefits lapse within two years after the day of their origin.

PAR. 2. Deductions from the claims of the persons entitled to benefits may only be made for—

Reimbursement claims for amounts which the beneficiary has received in cases of article 1542, or from the imperial accident insurance, but which must be refunded to the sick fund.
Contributions overdue.
Advances paid.
Sick-fund benefits paid in error.
Costs of procedure which the beneficiary has to refund.
Fines imposed by the director of the sick fund.

PAR. 3. Only half the amount of pecuniary benefits may be deducted on account of claims.

ARTICLE 224.

The local insurance office decides, by judgment procedure, in disputes between sick funds in regard to—

1. Claims for refund according to articles 197 and 222.
2. Refund of benefits granted in error.

SECTION THREE—CARRIERS OF THE INSURANCE.

I. KINDS OF SICK FUNDS.

ARTICLE 225.

PARAGRAPH 1. Sick funds, according to this law, are—

The local sick funds (*Ortskrankenkassen*).
The rural sick funds (*Landkrankenkassen*).
The establishment sick funds (*Betriebskrankenkassen*).
The guild sick funds (*Innungskrankenkassen*).

PAR. 2. Members of miners' sick funds established under the provisions of State laws may not join these sick funds.

II. GENERAL LOCAL SICK FUNDS AND RURAL SICK FUNDS.

ARTICLE 226.

PARAGRAPH 1. Local sick funds shall be established for local districts (general local sick funds) (*Allgemeine Ortskrankenkassen*); rural sick funds shall also be created for similar areas.

PAR. 2. The local and rural sick funds shall, as a rule, be established within the district of a local insurance office.

PAR. 3. The highest administrative authorities may decree and permit exceptions.

ARTICLE 227.

The State legislation may specify for the territory or for parts of the territory of the federal State that no rural sick funds may be established in addition to the general local sick funds.

ARTICLE 228.

No rural sick fund shall be established, in addition to the general local sick fund; where the rural sick fund would not have at least 250 compulsory members.

ARTICLE 229.

The establishment of a rural sick fund, in addition to a general local sick fund, may, with the approval of the superior insurance office, be done away with, where the local insurance office (decision chamber) deems it unnecessary after a hearing of the employers and persons subject to insurance affected.

ARTICLE 230.

The establishment of a general local sick fund, in addition to a rural sick fund, may, with the approval of the highest administrative authority, be done away with, where the local sick fund would not have at least 250 compulsory members.

ARTICLE 231.

PARAGRAPH 1. General local sick funds and rural sick funds shall be established by decision of the union of communes.

PAR. 2. Where it is permissible for the district of a local insurance office to create one as well as several general local or several rural sick funds, the unions of communes affected must come to an agreement thereon. If they can not agree, the superior insurance office decides and decrees the establishment of the funds.

ARTICLE 232.

Where a general local or a rural sick fund is not established in proper time, the superior insurance office decrees its establishment.

ARTICLE 233.

PARAGRAPH 1. The communes and unions of communes affected have the right to appeal to the highest administrative authority against the decree of the superior insurance office.

PAR. 2. If the final decree is not carried out within the time limit, the superior insurance office establishes the sick fund or authorizes the local insurance office to do so.

ARTICLE 234.

Persons subject to insurance who do not belong to a miners' sick fund or to a special local or establishment or guild sick fund shall be members of the general local or rural sick fund of their class of occupation and of their place of employment.

ARTICLE 235.

PARAGRAPH 1. Members of the rural sick funds are—

Persons employed in agriculture.

Servants.

Persons employed in itinerant trades.

Persons engaged in home-working industries and their home-working employees.

PAR. 2. Persons employed in horticulture, in cemetery establishments, in the care of parks and gardens, are, with reservation of article 236, paragraph 1, and article 237, paragraph 1, members of rural sick funds only if they are employed in parts of agricultural establishments.

ARTICLE 236.

PARAGRAPH 1. The Federal Council may assign to the rural sick funds still other groups of insured persons who were not legally subject to insurance before this law came into force.

PAR. 2. For its territory or for parts thereof, the highest administrative authority may assign to the general local sick funds individual groups of persons required to be insured in the rural sick funds.

ARTICLE 237.

PARAGRAPH 1. If a district has no general local sick fund, the persons subject to insurance in local sick funds belong to the rural sick fund.

PAR. 2. If a district has no rural sick fund, the persons required to insure in the rural sick fund belong in the general local sick fund.

ARTICLE 238.

Persons entitled to insurance who desire to insure themselves voluntarily and who do not, according to articles 243, 244, 245, paragraph 4, and article 250, paragraph 2, become members of a special local or establishment or guild sick fund may, according to the class of their employment, join either the general local or the rural sick fund of their place of employment.

III. SPECIAL LOCAL SICK FUNDS.

ARTICLE 239.

PARAGRAPH 1. Where at the coming in force of this law there is in existence a local sick fund for one or for several branches of industry or kinds of establishments or for insured persons of one sex only, such fund shall be authorized as a special local sick fund, in addition to the general local sick fund, as long as it complies with the requirements of articles 240 to 242.

PAR. 2. It may retain the benefits allowed to be granted up to the present time, even though they are not of the same kind and are higher than those permitted by article 179, provided that such fund covers its expenses without exceeding the maximum legal contributions.

ARTICLE 240.

A special local sick fund shall be authorized only if—

1. It has at least 250 members (art. 241).
2. Its continuance does not endanger the existence or solvency of the general local, and the rural sick fund of the district (art. 242).
3. The benefits prescribed by its constitution are at least equal in value to those of the standard local sick fund, or are made equal within six months (art. 259 to 263).
4. Its solvency is permanently assured.
5. It does not extend beyond the district of the local insurance office.

ARTICLE 241.

The minimum number of members shall be reckoned according to the average for the last three years, or if the sick fund has been in existence a shorter period, according to the average for this period.

ARTICLE 242.

PARAGRAPH 1. The general local sick fund or the rural sick fund are especially considered as endangered if after the authorization of the special local sick fund the membership of the former funds would not reach at least 250.

PAR. 2. Until the membership of the general local sick fund or of the rural sick fund has reached this number, the sick funds with the smallest membership shall first be excluded.

ARTICLE 243.

To the special local sick fund belong those groups of persons subject to insurance for which the sick fund exists according to its constitution; persons belonging to these groups and entitled to insure themselves voluntarily may join this fund. The constitution may not enlarge the scope of the membership.

ARTICLE 244.

PARAGRAPH. 1. If a special local sick fund is in existence for the industry branches and kinds of establishments in which the majority of the persons subject to insurance

of an establishment is employed, all persons subject to insurance employed in the establishment shall belong to it, and likewise the persons entitled to insure themselves voluntarily can also join it; otherwise all of them shall belong to the general local sick fund.

PAR. 2. This does not affect membership in a special local sick fund operated for members of one sex only.

IV. ESTABLISHMENT SICK FUNDS AND GUILD SICK FUNDS.

ARTICLE 245.

PARAGRAPH 1. An employer may create an establishment sick fund for each establishment in which he employs permanently at least 150 persons subject to insurance and for each agricultural establishment or inland navigation establishment in which he employs permanently at least 50 persons subject to insurance. He may also create a common establishment sick fund for several establishments in which he employs permanently at least 150 persons altogether or in agricultural or inland navigation establishments at least 50 persons altogether who are subject to insurance. The persons affected who are subject to the insurance are first to be given a hearing.

PAR. 2. So far as an employer belongs with his establishment to a guild, which has a guild sick fund, he may not create an establishment sick fund for the employees subject to insurance who must belong to the guild sick fund.

PAR. 3. All persons employed in the establishment who are subject to insurance belong to the establishment sick fund. Article 181 is applicable where one of the establishments is an agricultural establishment.

PAR. 4. Persons entitled to insure themselves voluntarily, who are employed in the establishment, may join the sick fund as members.

ARTICLE 246.

Administrations of the Empire and of the federal States have the same right (art. 245, par. 1) for their service establishments. Article 245, paragraphs 3 and 4, are applicable to the employees in these establishments.

ARTICLE 247.

In establishments which on account of their nature annually reduce their force regularly or shut down temporarily (seasonal industries), the minimum number (art. 245, par. 1) must be on hand for at least two months.

ARTICLE 248.

An establishment sick fund may only be created if—

1. It does not endanger the existence or solvency of existing general local sick funds or rural sick funds (art. 242); in this connection a sick fund is not considered as endangered if it still has more than 1,000 members after the creation of the establishment sick fund;
2. The benefits provided by its constitution are at least equal in value to those of the standard sick fund;
3. Its solvency is permanently assured.

ARTICLE 249.

PARAGRAPH 1. Where a building owner employs temporarily a larger number of workmen in a temporary construction establishment he has to create an establishment sick fund on decree of the superior insurance office.

PAR. 2. With the approval of the superior insurance office the building owner may transfer this obligation to one or more employers, who have wholly or partly undertaken the construction on their own account, provided that sufficient surety is given.

PAR. 3. The provisions concerning a minimum membership as well as article 245, paragraph 2, article 248, are here not applicable; the superior insurance office determines the extent of the benefits.

PAR. 4. If the decree is not carried out within the term specified, the superior insurance office itself establishes the fund or charges the local insurance office with its establishment.

ARTICLE 250.

PARAGRAPH 1. A guild may create a guild sick fund for the establishments of the members who belong to the guild.

PAR. 2. The persons subject to insurance employed in the establishment belong to this sick fund, so far as they are not subject to insurance in rural sick funds according to articles 235 and 236. Persons employed in the establishments and entitled to insure themselves voluntarily can also join it.

PAR. 3. Employees of an establishment, with which an employer has voluntarily joined a compulsory guild or for which an establishment sick fund has been created according to article 249, do not belong to the guild sick fund.

PAR. 4. Where a member of a guild removes his industrial establishment outside of the district of the sick fund, the membership of his employees subject to insurance in the guild sick fund ceases to exist.

ARTICLE 251.

PARAGRAPH 1. A guild sick fund may only be established if—

1. It does not endanger the existence or solvency of existing general local sick funds and rural sick funds (art. 242); in this connection a sick fund is not considered as endangered if it still has more than 1,000 members after the creation of the guild fund;
2. The benefits provided by its constitution are at least equal in value to those of the standard local sick fund;
3. Its solvency is permanently assured.

PAR. 2. The committee of journeymen, the communal authority of the locality where the guild has its seat, the chamber of handwork, as well as the supervisory authority of the guild, shall be given a hearing previous to the establishment of the fund.

ARTICLE 252.

PARAGRAPH 1. The application for the approval of an establishment or guild sick fund shall be directed to the local insurance office.

PAR. 2. The local insurance office shall offer to the rural sick funds and general local sick funds affected an opportunity to give their opinion and shall submit the application with an expression of its opinion to the superior insurance office.

ARTICLE 253.

PARAGRAPH 1. Establishment sick funds which have not been decreed according to article 249, as well as guild sick funds, may only be established with the approval of the superior insurance office.

PAR. 2. The superior insurance office (decision chamber) may only refuse the approval for establishment sick funds, with reservation of article 273, paragraph 1, No. 2, if the sick fund does not have the prescribed membership or if it does not meet the requirements of article 248.

ARTICLE 254.

The following are entitled to an appeal to the highest administrative authorities against the decision of the superior insurance office:

The employer or the guild if the approval is refused.

Each rural sick fund or general local sick fund affected, if the approval is granted.

The employer, if the creation of a sick fund has been decreed according to article 249.

ARTICLE 255.

PARAGRAPH 1. An establishment sick fund which existed before the coming into force of this law shall only be authorized if—

1. It has at least one hundred members, or in the case of sick funds for agricultural or inland navigation establishments at least fifty members (arts. 241 and 247):
2. The benefits provided by its constitution are at least equivalent to those of the standard sick fund or are made so within six months:
3. Its solvency is permanently assured.

PAR. 2. Where a common establishment sick fund existed for establishments of several employers it may be authorized under the same conditions.

PAR. 3. These requirements are not applicable to establishment sick funds which are authorized for establishments of the Empire or federal States.

ARTICLE 256.

PARAGRAPH 1. A guild sick fund which existed before the coming into force of this law shall be authorized, if it complies with the requirements of article 255, paragraph 1, Nos. 2 and 3.

PAR. 2. Where a common guild sick fund existed for several guilds it may be authorized under the same conditions.

ARTICLE 257.

An authorized establishment sick fund, or guild sick fund, may retain other and higher benefits permissible up to the present time than those permitted by article 179, if the fund covers its expenses without exceeding the maximum legal contributions.

V. CONTROVERSIES.

ARTICLE 258.

PARAGRAPH 1. In disputes arising between sick funds, as to which of them the establishments or parts of establishments belong, the local insurance office (decision committee) decides. On appeal the superior insurance office decides finally.

PAR. 2. The same is applicable if the sick funds affected refuse to anyone the right of membership in the sick funds.

PAR. 3. Where the decision assigns establishments or parts of establishments to another sick fund, it shall also determine when the new insurance status comes in force.

PAR. 4. Final decisions concerning the right of membership in sick funds are binding for all authorities and courts.

VI. BENEFITS OF EQUAL VALUE.

ARTICLE 259.

PARAGRAPH 1. The competent local insurance office (decision committee) decides whether sick fund benefits are of equal value with other benefits.

PAR. 2. Estimates of the total value of the benefits shall be made in this connection with due consideration of the special kind of membership of the individual sick funds.

PAR. 3. The Federal Council may determine particulars in this connection.

ARTICLE 260.

Benefits of the standard sick fund which have not been in force a full year shall not be considered; nor shall additional benefits be considered which are only possible at the expense of the reserve, or by an increase of the contributions to more than $4\frac{1}{2}$ per cent of the basic wage.

ARTICLE 261.

PARAGRAPH 1. The general local sick fund of the district shall be the standard sick fund.

PAR. 2. In the case of a sick fund whose district embraces those of several general local sick funds, the general local sick fund of its seat shall be the standard sick fund. A sick fund also grants benefits of equal value if it has special groups of members and maintains for each group benefits whose value is equal to those of the competent general local sick fund.

PAR. 3. In the case of agricultural establishment sick funds the rural sick fund, or where none has been established, the general local sick fund shall be the standard sick fund.

ARTICLE 262.

PARAGRAPH 1. Whether the benefits are of equal value shall be determined every four years if facts are submitted which make it evident that the former determination is no longer correct.

PAR. 2. In the case of a newly established sick fund the local insurance office can take as a basis the benefits last determined of the standard sick fund.

ARTICLE 263.

PARAGRAPH 1. The local insurance office communicates its decision to the sick funds affected, and as far as it concerns the creation of an establishment or of a guild sick fund, also to the rural sick funds and general local sick funds affected.

PAR. 2. The sick funds have the right of appeal to the superior insurance office. This decides finally. In special cases it may request the opinion of the accounting bureau of the Imperial Insurance Office before making a decision.

VII. COMBINATION, SEPARATION, DISSOLUTION, AND CLOSING.

1. Local and rural sick funds.

ARTICLE 264.

PARAGRAPH 1. A rural sick fund established for the whole district of the local insurance office shall be combined with the general local sick fund of the district if its membership falls below 250 and does so not merely temporarily.

PAR. 2. This may be done when the local insurance office (decision committee) after a hearing of the employers and persons subject to insurance affected deems its continuance unnecessary.

PAR. 3. A general local sick fund established for the whole district of the local insurance office shall be combined with the rural sick fund of the district if its membership falls below 250 and does so not merely temporarily.

ARTICLE 265.

PARAGRAPH 1. If for the district of a local insurance office there have been established according to article 231, paragraph 2, several general local sick funds, they may be combined on decision of its committees and with the approval of the communes and unions affected.

PAR. 2. In the same manner several rural sick funds established according to article 231, paragraph 2 may be combined.

ARTICLE 266.

A general local or a rural sick fund shall be closed if it becomes evident that it should not have been established.

ARTICLE 267.

A general local or a rural sick fund, created for parts of the district of a local insurance office, shall be closed if—

1. Its membership falls below 250 and does so not merely temporarily and no combination according to article 265 is effected.
2. Its contributions, although they have amounted to 6 per cent of the basic wage (arts. 389 and 390), inclusive of other revenues, are not sufficient to cover the regular benefits, and in case of a local sick fund if the employer and the insured persons can not agree on an increase of the contributions, or in case of a rural sick fund if the union of communes does not furnish the requisite funds.

ARTICLE 268.

Where the district of a special local sick fund does not overlap that of the general local sick fund, the committees of both sick funds may decide to make the consolidation.

ARTICLE 269.

PARAGRAPH 1. A special local sick fund may be dissolved on the decision of its committee.

PAR. 2. It shall be closed if—

1. It does not comply with the requirements of articles 240 to 242.
2. It becomes unable to pay its benefits according to article 267, No. 2.
3. It becomes evident that it should not have been authorized.

2. Establishment and guild sick funds.

ARTICLE 270.

Several establishment sick funds for establishments of the same employer may on decision of their committees be combined into one fund.

ARTICLE 271.

In the case of a change in the organization of a public administration which has created establishment sick funds for its establishments or services the superior insurance office, or if several superior insurance offices are affected, the highest administrative authorities, on application and after a hearing of the administrative bodies of the sick funds, shall fix the districts of the sick funds in a different manner.

ARTICLE 272.

An establishment sick fund may be dissolved on application of the employer and with the approval of the sick fund committee.

ARTICLE 273.

PARAGRAPH 1. An establishment sick fund shall be closed if—

1. The establishment for which it was created ceases to exist.
2. The employer does not provide for orderly handling of the funds and the accounts; the creation of a new establishment sick fund can be refused to him.
3. It becomes evident that it should not have been established or authorized.

PAR 2. If in the case of No. 2 above, an establishment sick fund created by decree (art. 249) is concerned, the local insurance office may engage at the expense of the employer a representative for the management of the business of the fund.

ARTICLE 274.

An establishment sick fund not established by decree (art. 249) shall be closed if—

1. Its membership falls below the minimum number and this decrease is not merely temporary (art. 245, par. 1, and art. 255, par. 1, No. 1).
2. The employer with the establishment becomes a member of a voluntary guild or a compulsory member of a compulsory guild which has a guild sick fund.
3. Its benefits are not equivalent to those of the standard sick fund and can not be made so within six months.
4. Its solvency is no longer permanently assured.

ARTICLE 275.

An establishment sick fund created by decree according to article 249 may be closed by the superior insurance office.

ARTICLE 276.

Guild sick funds shall be combined whenever their guilds are combined.

ARTICLE 277.

PARAGRAPH 1. If a compulsory guild is created, and in consequence a guild is closed, the rights and obligations which it had relative to its guild sick fund shall be transferred to the compulsory guild.

PAR. 2. The fund shall be closed if the compulsory guild includes another district or other industry branches.

ARTICLE 278.

A guild sick fund may be dissolved on decision of the guild meeting after a hearing of the journeymen's committee and with the approval of the sick fund committee.

ARTICLE 279.

A guild sick fund shall be closed if—

1. The guild which established it goes into liquidation or is closed, with reservation of article 277, paragraph 1.
2. Its benefits are not equivalent to those of the standard local sick fund and can not be made so within six months.
3. Its solvency is no longer permanently assured.
4. Orderly handling of cash funds and accounts is not provided.
5. It becomes evident that it should not have been established or authorized.

3. Procedure.

ARTICLE 280.

The superior insurance office (decision chamber) in whose district the sick funds have their seat decides on the consolidation, dissolution, and closure of sick funds as well as on the question of separating from such funds. Where the seats of the sick funds affected are located in districts of different superior insurance offices, the highest administrative authority determines the competent superior insurance office.

ARTICLE 281.

The application for consolidation, separation, or dissolution is to be directed to that local insurance office which is competent for the sick funds affected. If their seats are located in districts of different local insurance offices, the superior insurance office determines the competent local insurance office.

ARTICLE 282.

PARAGRAPH 1. Any sick fund affected may make this application; in the case of local or rural sick funds, the competent union of communes can also do so; in the case of establishment sick funds the employer may also do so, and in the case of guild sick funds, the guild likewise.

PAR. 2. If this is not done in due time in cases of article 264, paragraph 1, or of article 276, the local insurance office makes the application on its own initiative.

PAR. 3. If a sick fund must be closed, the local insurance office starts the procedure on its own initiative. In the case of establishment sick funds created by decree it has the right to do so (art. 249).

ARTICLE 283.

PARAGRAPH 1. The local insurance office gives the parties affected an opportunity to express themselves concerning the application. Those sick funds, to which transferred members would have to belong in the future, are considered as affected, as well as the persons designated in article 282, paragraph 1.

PAR. 2. The local insurance office presents the application with the expressions of opinion and the amended constitution to the superior insurance office and expresses thereby its own opinion, so far as it has not itself caused the change.

ARTICLE 284.

PARAGRAPH 1. The superior insurance office specifies in its decision the date on which the amendment comes in force. There must be a minimum interval of four months between the decision and the date specified; in the case of closure of sick funds this term may be shorter in urgent cases.

PAR. 2. The parties affected have the right of appeal against the decision to the highest administrative authority.

ARTICLE 285.

PARAGRAPH 1. In the case of the consolidation of sick funds mutual agreement must be made between the sick funds affected according to articles 286 to 297.

PAR. 2. The highest administrative authority may determine particulars concerning the mutual agreement.

ARTICLE 286.

PARAGRAPH 1. The mutual agreement shall precede the decision of the superior insurance office.

PAR. 2. To bring about the mutual agreement the representatives of the sick funds affected meet on invitation of the local insurance office under the direction of its representative.

PAR. 3. If an agreement is effected thereby, it shall require the consent of the sick-fund committees affected as well as the approval of the local insurance office. The decision committee may decline to grant the approval for important reasons.

ARTICLE 287.

If no agreement is effected, or if one of the participating committees does not consent, or the features objectionable to the local insurance office are not removed, the local insurance office (decision committee) takes charge of the arrangements.

ARTICLE 288.

PARAGRAPH 1. The sick fund which receives the other assumes the rights and obligations of the other sick fund, so far as articles 289 to 296 do not provide otherwise.

PAR. 2. Article 326 is applicable where amendments to the constitution become necessary.

ARTICLE 289.

The members of the admitted sick fund who are subject to insurance become members of the admitting sick fund. Members who are entitled to insure themselves voluntarily have the right to membership in the admitting sick fund. The members transferred thereby continue their insurance status without interruption.

ARTICLE 290.

PARAGRAPH 1. The admitting sick fund must take over the officials and employees of the admitted sick fund under the same or equivalent conditions.

PAR. 2. The officials and employees of the fund must accept with the admitting sick fund similar positions corresponding to their ability. They must also content themselves with another employment in the service of the sick fund which is not obviously unsuited to their abilities. They become subject to the service rules of the admitting sick fund; their total income shall not be reduced.

ARTICLE 291.

PARAGRAPH 1. The directorate of the sick fund which is to be admitted shall communicate without delay the decision of the superior insurance office (art. 284, par. 1) to the physicians and dentists to which the sick fund stands in contract relations. Within 14 days thereafter the physician or dentist may declare to the admitting sick fund his readiness to render service for it under the conditions which he had already agreed upon with the admitted sick fund, or under the terms which the admitting sick fund makes with its own physicians and dentists. If the admitting sick fund does not accept the offer without delay it must compensate the physician or dentist. If the physician or dentist has not declared his willingness within 14 days, the contract relation may be revoked by either party, beginning from this point of time, by observing three months' period of notice, but not sooner than the date of admission. Contractual rights to give notice at an earlier point of time are hereby not affected.

PAR. 2. This shall be correspondingly applicable for contract relations of the sick funds with owners and administrators of pharmacies, all classes of medical institutions, and with the persons enumerated in article 122, as also with dealers.

ARTICLE 292.

The representatives of the sick funds affected and the local insurance office may determine that an admitted sick fund shall for a maximum period of four years be represented in the directorate of the admitting sick fund by a specified number of insured persons and employers.

ARTICLE 293.

The fund which is to be admitted shall ascertain by a balance sheet (arts. 39, 40, and 261 of the Commercial Code) its net assets, and for each transferred member assign therefrom to the admitting sick fund an amount equivalent to the amount of net assets falling to each member of the admitting sick fund.

ARTICLE 294.

PARAGRAPH 1. If there are still any free assets they are to be turned over to the admitting sick fund.

PAR. 2. If this amount is large enough the committee of the sick fund which is to be admitted may form thereof a special fund for the members which are to be transferred, from which they shall receive an increase in the funeral benefit. The increase must not exceed the amount of the funeral benefit according to articles 204 and 205, No. 3.

PAR. 3. The directorate of the admitting sick fund shall administer this special fund in accordance with the manner specified. If the last insured person transferred has left, the balance shall go in the reserve fund of the sick fund.

PAR. 4. If the admitting sick fund grants considerably higher benefits, the sick fund which is to be admitted has to turn over to it in advance an amount which according to a proper estimate will equalize the difference.

ARTICLE 295.

If it can be shown that the employer or the guild have made voluntary gifts to an establishment fund or guild sick fund which is to be admitted, they may transfer a corresponding part of the free assets to the benefit of a special sick fund or a special endowment (art. 294, par. 3) for the members who are transferred.

ARTICLE 296.

PARAGRAPH 1. Where a sick fund which is to be admitted does not possess the full per capita amounts (art. 293) or any net assets, it shall turn over only the assets on hand.

PAR. 2. If the balance sheet of an establishment fund or guild sick fund which is to be admitted shows a deficit the employer or the guild liable for these amounts must cover the deficit.

PAR. 3. If such a deficit becomes evident in a local or rural sick fund which is to be admitted, then the admitting sick fund may for one year increase the contributions for the insured persons admitted, by a special assessment up to the maximum legal amount (art. 389).

ARTICLE 297.

PARAGRAPH 1. The parties affected have the right of appeal to the superior insurance office (decision chamber) against the mutual arrangements approved or caused by the local insurance office. The decision of the superior insurance office is final.

PAR. 2. So far as the appealed decision relates to financial affairs, the superior insurance office may ask the accounting bureau of the Imperial Insurance Office to express its opinion.

ARTICLE 298.

PARAGRAPH 1. Mutual arrangements between the sick funds affected also take place if—

1. The districts of the sick funds are changed by a different delimitation of the administration districts;
2. In a district where up to the present time no general local or no rural sick fund existed, a sick fund of this kind is established;
3. A new sick fund of the same kind is separated from a general local or a rural sick fund;
4. Persons belonging to the same industry branch or the same kind of establishment after a majority decision make application to be separated from an authorized special local sick fund;
5. One of several establishments of an employer for which there exists a common establishment sick fund changes ownership and one of the employers affected applies for a separation;
6. An employer with his establishments separates from an authorized common establishment sick fund;
7. A part of the members separate from a guild sick fund because the membership class of the guild is to be delimitated in a different manner or a compulsory guild is to be established;
8. A guild makes application to separate from an authorized common guild sick fund.

PAR. 2. For the mutual agreement articles 286 to 297 are correspondingly applicable.

PAR. 3. In the case of unimportant changes and of article 271, a mutual agreement may with the consent of the sick funds affected be done away with; article 288, paragraph 2, and article 289 are then also correspondingly applicable.

ARTICLE 299.

In the case of dissolution and closing of sick funds, their relations to others shall be regulated according to articles 300 to 305.

ARTICLE 300.

PARAGRAPH 1. In so far as members of a sick fund which has been dissolved or closed are present, the local insurance office after a hearing of their sick fund direc-

torate, assigns them to the appropriate sick funds. The members entitled to insurance have the right of membership in the corresponding sick fund. The members transferred thereby continue their insurance status without interruption. Article 288, paragraph 2, is in such case correspondingly applicable.

PAR. 2. The superior insurance office (decision chamber) decides finally on appeals relating to the assignment.

ARTICLE 301.

PARAGRAPH 1. The directorate of the dissolved or closed sick fund shall wind up the affairs of the sick fund. Until the affairs are wound up the sick fund is considered as in continuance as far as the purpose of the liquidation so requires.

PAR. 2. The directorate gives public notice of the dissolution or closing. The payment of creditors who fail to present their claims within three months from the notice may be refused; the notice shall call attention to this fact. Known creditors shall under the same reference be specially requested to present their claims. These provisions are not applicable to claims connected with the insurance.

ARTICLE 302.

PARAGRAPH 1. The directorate of the sick fund which is being dissolved or closed shall without delay notify the employees, physicians, and dentists with whom the sick fund has contract relations of the decision of the superior insurance office (art. 284, par. 1). The contract relation terminates within three months after the notification, but at the earliest with the date of dissolution or closing. The notice shall call attention to this fact. Contractual rights to give notice at an earlier point of time are hereby not affected.

PAR. 2. This is correspondingly applicable to contract relations of the sick funds with pharmacy owners and pharmacy administrators, medical institutions of all classes, and with persons enumerated in article 122.

ARTICLE 303.

PARAGRAPH 1. If there are still any free assets after liquidation of the affairs, then the local insurance office, with consideration of the transfer of members, shall assign these assets to the sick funds.

PAR. 2. Article 295 is hereby correspondingly applicable in the case of establishment and guild sick funds.

PAR. 3. The superior insurance office (decision chamber) decides finally on appeals concerning the assignment.

ARTICLE 304.

Article 296, paragraph 2, is correspondingly applicable in the case of establishment funds and guild sick funds if the assets are not sufficient to pay off the creditors.

ARTICLE 305.

PARAGRAPH 1. Where the assets of a dissolved or closed local or rural sick fund are not sufficient to pay the claims of the officials, the union of communes shall make up the deficit; the official must accept a position offered him by the union. This provision is correspondingly applicable to the guild in the case of a guild sick fund.

PAR. 2. Article 290 is here correspondingly applicable.

SECTION FOUR.—CONSTITUTION.

I. MEMBERSHIP.

1. Beginning and termination.

ARTICLE 306.

The membership of persons subject to insurance begins with the date of their entrance in the employment subject to insurance.

ARTICLE 307.

The membership in the case of a newly created establishment sick fund begins for all persons subject to insurance employed in the establishment, with the date on which the sick fund comes into existence.

ARTICLE 308.

The above is applicable, with reservation of article 250, paragraph 3, to employees subject to insurance in establishments, with which guild members belong to a guild, in the case of the creation of a guild sick fund or the later admission of the employer to the guild.

ARTICLE 309.

PARAGRAPH 1. To which sick fund an insured person shall belong, who has at the same time several employment relations subject to insurance, shall be decided by his principal employment.

PAR. 2. In case of doubt, the employment relation into which he has first entered shall be decisive.

PAR. 3. The Federal Council may specify the particulars in such a case.

ARTICLE 310.

PARAGRAPH 1. The membership of persons entitled to insurance shall begin with the date of their admission to the sick fund. The admission is effected by written or oral application to the directorate or to the office of registration (art. 319).

PAR. 2. A sickness already existing at the time of admission does not entitle to benefits for this sickness. If the constitution makes the right of admission dependent on the presentation of a medical health certificate (art. 176, par. 3), the same must accompany the application.

PAR. 3. Persons entitled to insure themselves voluntarily, who apply for admission, may be subjected to a medical examination by the sick fund. It may refuse the applications of sick persons and such persons for whom the necessary medical health certificates according to paragraph 2 do not suffice, this refusal to take effect beginning with the application.

ARTICLE 311.

Persons unable to work retain their membership as long as the sick fund has to grant them benefits.

ARTICLE 312.

The membership ceases as soon as the insured person becomes a member of another sick fund or of a miners' sick fund.

ARTICLE 313.

PARAGRAPH 1. If a member who was insured on the basis of the imperial insurance or in a miners' sick fund at least 26 weeks in the preceding 12 months, or for at least 6 weeks immediately previous thereto, leaves the employment subject to insurance, he may retain his membership in his class or grade of wages as long as he resides regularly in Germany and does not cease to be a member according to article 312. He may have himself transferred to a lower class or grade of wages.

PAR. 2. Whoever desires to retain his membership must notify the sick fund within three weeks after leaving, or in the case of article 311 after the termination of the benefits. If a member becomes ill in the second or third of these weeks, then with reservation of article 214 he has a claim to benefits only if he has given notice during the first week. The full payment, within the same time limit, of the contributions provided in the constitution is equivalent to the notification. With the approval of the superior insurance office the constitution may specify longer time limits.

ARTICLE 314.

PARAGRAPH 1. The membership of persons entitled to insure themselves voluntarily ceases if they have failed twice in succession to pay the contributions on the date when due, and if at least four weeks have elapsed since the first of these dates. The constitution may extend this time limit to the next following day of payment.

PAR. 2. If the directorate learns on good authority that the regular total annual income of a member entitled to insure himself voluntarily, exceeds 4,000 marks [$952], it shall at once inform this member that his membership has ceased. The membership ceases with the delivery of the notification.

ARTICLE 315.

If, after application in due form, a sick fund has accepted the contributions from a person subject to insurance, for three months in succession and without objection, it must recognize him as a member as long as there is no change in his employment status, at least until the date on which the directorate of the sick fund, in writing, refers him or his employer to another sick fund.

ARTICLE 316.

In case the other sick fund contests his right to belong to it, the old sick fund must, with reservation of a later refund, continue to accept provisionally the contributions and to grant the benefits up to the time of the decision.

2. Registration.

ARTICLE 317.

PARAGRAPH 1. Within three days from the beginning and termination of the employment the employers must register each person employed by them who is subject to membership in a local, rural, or guild sick fund at the place determined by the constitution or according to article 319. Changes in the employment status having influence on the insurance obligation shall also be registered within three days.

PAR. 2. The registration may be omitted if the work is interrupted for a shorter period than one week and if the payment of contributions is kept up. The constitution may extend the time limit for registration beyond the third day and up to the last working day of the calendar week.

PAR. 3. The sick fund may make an agreement with the administrations of Imperial or State establishments as to other methods of registration.

PAR. 4. The highest administrative authority may issue regulations regarding the form and contents of the registration notice.

ARTICLE 318.

PARAGRAPH 1. The application must also contain the statements required by the constitution for the computation of contributions.

PAR. 2. Changes in these relations are to be reported within the time limit of registration.

PAR. 3. In the case of a change in wages the grade of wages does not change until the next payment of the contribution, unless the constitution provides otherwise.

ARTICLE 319.

PARAGRAPH 1. The local insurance office may establish in its district joint registration offices for all or for several local, rural, and guild sick funds, or with the approval of the communal supervisory authority turn over the business of these funds to the local authorities.

PAR. 2. The costs shall be divided among the different sick funds in proportion to their annual revenues from contributions, unless the superior insurance office specifies a different basis.

II. CONSTITUTION.

ARTICLE 320.

PARAGRAPH 1. Before coming into existence, each sick fund shall draw up a constitution.

PAR. 2. It shall be drawn up in the case of—

Local and rural sick funds, by the union of communes after a hearing of the employers and insured persons interested;

Establishment sick funds, by the employer or his representative after a hearing of the employees;

Guild sick funds, by the general meeting of the guild with the participation of the journeymen's committee according to article 95 of the Industrial Code (*Gewerbeordnung*).

PAR. 3. If a fund is not established within the time limit finally decreed (art. 233, par. 2, and art. 249, par. 4), the local insurance office shall draw up a constitution for it.

ARTICLE 321.

The constitution must indicate the district of the sick fund and the class of its members and specify the following:

1. Name and seat of the sick fund;
2. Nature and extent of benefits;
3. Amount of contributions and time of payment;
4. Composition, rights, and duties of the directorate;
5. Composition and convocation of the committee and the method of forming its decisions, as also its representation in dealings with third parties in case of article 346, paragraph 1;
6. Drawing up of the preliminary budget;
7. Drawing up and acceptance of the annual accounts;
8. Amount of allowances according to article 21, paragraphs 2 and 3;
9. Method of issuing public notices;
10. Amendment of the constitution.

ARTICLE 322.

In the case of the local, rural, and guild sick funds the constitution must indicate the places for registration.

ARTICLE 323.

The constitution may not specify anything which contravenes the legal regulations or does not come within the purpose of the fund.

ARTICLE 324.

PARAGRAPH 1. The constitution, as well as the amendments thereto, requires the approval of the superior insurance office. When it gives its approval to the constitution, the superior insurance office shall at the same time specify when the sick fund comes into existence.

PAR. 2. The approval may be refused only by the decision chamber, and then only in case the constitution does not comply with the legal provisions.

PAR. 3. Where the law demands the approval for individual regulations of the constitution by the superior insurance office, the approval may be refused by the decision chamber only. The decision is final.

PAR. 4. The reasons for the refusal shall be stated.

ARTICLE 325.

Each member shall receive free a printed copy of the constitution and the amendments thereto; also, on application, each employer who employs members of the sick fund shall receive a copy.

ARTICLE 326.

PARAGRAPH 1. If it subsequently develops that a constitution according to article 324, paragraph 2, should not have been approved, the superior insurance office (decision chamber) shall decree the necessary amendment.

PAR. 2. If within one month the committee does not decide upon the amendment ordered by a final decree, the superior insurance office (decision chamber) shall issue the same with legal force.

PAR. 3. The same applies to amendments of the constitution ordered by a final decree, which are required by the provisions of this law.

III. ADMINISTRATIVE BODIES OF THE FUNDS.

1. Organization of local and rural sick funds.

ARTICLE 327.

The directorate and committee transact the affairs of the funds. The members of the committee may not belong to the directorate; if such are elected in the directorate, they must leave the committee.

ARTICLE 328.

PARAGRAPH 1. The members of the directorate elect from their own number the president of the directorate.

PAR. 2. Whoever receives the majority of votes, either from the group of employers or from that of the insured persons, is elected.

ARTICLE 329.

PARAGRAPH 1. When this majority can not be obtained the election is adjourned to another day.

PAR. 2. If also in the second session no election is effected, the directorate notifies the local insurance office. The latter appoints a representative who administers the rights and duties of the president at the expense of the sick fund until a valid election is effected. On appeal the superior insurance office decides finally. An employer may only then be appointed as representative if the majority of the group of employees does not object and an employee only if the majority of the group of employers does not object.

PAR. 3. A person employing only servants or nonpermanent workmen is not considered an employer in the meaning of paragraph 2.

ARTICLE 330.

The members of the directorate of the local sick fund elect from their number in a joint election one or more substitutes for the president.

ARTICLE 331.

PARAGRAPH 1. The representatives of the union of communes elect the president and the other members of the directorate of the rural sick fund, among which must be one or more substitutes for the president. One-third of these members must belong to the employers affected (art. 332, par. 2), and two-thirds to persons insured in the sick fund.

PAR. 2. The highest administrative authority may specify that the president and the other members of the directorate shall be elected in the same manner as the representatives in the committee according to article 336, paragraph 2.

ARTICLE 332.

PARAGRAPH 1. One-third of the committee consists of representatives of the employers affected and two-thirds of representatives of the insured persons. It has a maximum number of 90 representatives.

PAR. 2. An employer is considered as affected if he has to pay contributions to the sick fund for his employees subject to insurance, and if he is not to be counted among the insured persons according to article 14, paragraph 2.

ARTICLE 333.

PARAGRAPH 1. In the case of a local sick fund the employers affected who are of age and the insured persons who are of age elect their representatives from their own number, and this must be done in separate elections, under the direction of the directorate.

PAR. 2. The first election after the establishment of the sick fund takes place under the direction of a representative of the local insurance office; later elections only where no directorate exists.

PAR. 3. The voting power of the individual employers shall be proportioned according to the number of their employees subject to insurance; the constitution may graduate it and provide a maximum number of votes. Provisions relating to graduation and maximum voting power require the approval of the superior insurance office.

ARTICLE 334.

PARAGRAPH 1. The interval between the notice of an election (art. 333) and the election itself must amount to at least one month. The constitution may fix a longer minimum interval.

PAR. 2. The constitution may specify that the election shall take place according to districts or occupation groups.

ARTICLE 335.

The representatives of the employers and of the insured persons in the committee elect from their group in separate elections, the members of the directorate as follows: The employers elect one-third, the insured persons two-thirds.

ARTICLE 336.

PARAGRAPH 1. In the case of a rural sick fund the representatives of the union of communes elect representatives from the number of the employers affected and from the number of the insured persons in the fund.

PAR. 2. In such districts of local insurance offices in which only urban and rural communes exist, but not independent manor districts, marks, or march districts (*selbständige Gutsbezirke, Gemarkungen oder ausmärkische Bezirke*), the State government may transfer the right to vote to the representatives of the individual communes and can specify the particulars thereto.

PAR. 3. It may be decreed for the territory or parts of territories of the federal State by a State law that the directorate and committee shall be elected in the same manner as in the case of the local sick fund.

ARTICLE 337.

Employers who are in arrears with the payment of contributions may be excluded by the constitution from eligibility and from the right to vote.

2. Composition of establishment and guild sick funds.

ARTICLE 338.

PARAGRAPH 1. Article 327 is correspondingly applicable to establishment sick funds.

PAR. 2. The directorate and the committee consist of the employer or his representative and of the representatives of the insured persons; the committee has a maximum number of 50 representatives of the insured persons.

PAR. 3. The employer or his representative is the president; he has one-half of the number of votes granted by the constitution to the insured persons.

ARTICLE 339.

The insured persons who are of age elect from their own number under the direction of the directorate their representatives in the committee of the establishment sick fund. Article 333, paragraph 2, and article 334, paragraph 1, are here applicable. These representatives elect from the insured persons their representatives in the directorate.

ARTICLE 340.

A person who voluntarily continues his membership in an establishment sick fund is neither eligible nor has he the right to vote.

ARTICLE 341.

PARAGRAPH 1. Articles 327, 332, 333, 334, paragraph 1, 335, and 337 are also applicable to guild sick funds. The guild appoints the president and his substitutes from the members of the directorate.

PAR. 2. If according to the constitution (art. 381, par. 2) the employers are required to pay one-half and the insured persons the other half of the contributions, then each of them is entitled to half of the representatives in the committee, and the representatives elected by the employers elect one half of the members of the directorate, and those elected by the insured persons the other half.

3. Duties.

ARTICLE 342.

The directorate administers the fund so far as the law does not provide otherwise.

ARTICLE 343.

PARAGRAPH 1. The directorate is required, on demand, to give to the industrial supervisory officials information relating to the number and class of cases of sickness.

PAR. 2. The highest administrative authorities may specify the particulars herewith.

ARTICLE 344.

The directorate must permit representatives of the carriers of the accident and of the invalidity and survivors' insurance to inspect in the office of the sick fund during business hours the books and lists for the purpose of ascertaining the number, time of employment, and amount of wages of their insured persons.

ARTICLE 345.

PARAGRAPH 1. The committee decides on all matters which the law, constitution, or service regulations do not assign to the directorate.

PAR. 2. To the committee is reserved—

1. The determination of the preliminary budget.
2. The acceptance of the annual balance sheet.
3. The representation of the sick fund against the members of the directorate;
4. The decision on agreements and contracts with other sick funds;
5. The decision on the establishment of places of registration and of payment;
6. The amendment of the constitution;
7. The dissolution of the sick fund or the voluntary affiliation of it with other sick funds.

PAR. 3. Decisions according to numbers 6 and 7 need a majority both of the employers and the insured persons. In the case of amendments to the constitution a joint vote is sufficient, if such are decreed according to article 326, or if they relate to benefits or contributions, and do not run counter to article 388 or 389.

ARTICLE 346.

PARAGRAPH 1. In the case of the acquisition, sale, or mortgaging of real estate, the sick fund shall be represented by the directorate and the committee.

PAR. 2. The approval of the committee is necessary for—

1. The service regulations for the employees which have been formulated or changed by the directorate (art. 355);
2. Decisions of the directorate relating to the establishment of hospitals and convalescent homes.

ARTICLE 347.

PARAGRAPH 1. The committee regulates through sickness regulations the registration and control of sick persons as well as their conduct.

PAR. 2. These regulations require the approval of the local insurance office. If the approval is refused, the superior insurance office (decision chamber) decides finally on appeal.

PAR. 3. If notwithstanding a requisition of the local insurance office a sick fund does not submit within the time limit any sickness regulations, the superior insurance office (decision chamber) shall draw up such regulations and they shall be of legal effect. The same is applicable to amendments or additions which have been ordered by decree.

PAR. 4. With the approval of the fund and under agreement regarding the costs, the local insurance office may assist the sick fund in the control of sick persons. The decision committee decides concerning this matter. If the fund declines such aid, the superior insurance office decides finally on appeal.

ARTICLE 348.

The committee specifies the method of remittance of contributions and of payment of benefits for members who do not reside in the district of the sick fund, and how the control of sick persons is to be regulated where such members are concerned.

IV. EMPLOYEES AND OFFICIALS OF THE FUND.

ARTICLE 349.

PARAGRAPH 1. The positions of officials and those employees to whom the service regulations (art. 351) are applicable, and which are paid from the means of the sick funds, shall be filled in the case of sick funds by concurring decisions of both groups in the directorate.

PAR. 2. If the groups can not agree, the decision is postponed to a later day. Should then no agreement be effected, the appointment may be decided on if more than two-thirds of those present vote for it; such a decision requires the confirmation of the local insurance office. It may only be refused on the basis of such facts which permit the conclusion that the person proposed lacks the necessary responsibility, especially for an impartial discharge of his official duties, or the ability requisite for the position.

PAR. 3. In case of a refusal of the confirmation, the superior insurance office (decision chamber) decides finally on appeal of the directorate.

ARTICLE 350.

When no decision relating to an appointment is effected, or the confirmation is finally refused, the local insurance office appoints temporarily at the expense of the sick fund the persons necessary for the discharge of the duties of the position. If the appointees have administered the affairs during one year, the local insurance office may, with the approval of the superior insurance office, appoint them permanently to the position, unless a valid decision relating to an appointment has meanwhile been effected.

ARTICLE 351.

PARAGRAPH 1. Service regulations must be formulated for the salaried employees of the sick funds who, according to State law, are not State or communal officials, or whose rights or duties are based on article 359.

PAR. 2. To employees who are employed only on probation, for temporary service, as a preparatory service, or who administer the office only incidentally without compensation, the service regulations are only applicable in so far as they expressly so provide.

ARTICLE 352.

The service regulations regulate the legal and the general service relations of the employees, especially the proof of their technical qualifications, their number, the class of appointment, the giving of notice or the discharge, and the determination of penalties. Technical qualifications must also be proved in some other manner than by the completion of a prescribed educational course.

ARTICLE 353.

PARAGRAPH 1. The service regulations must contain a scale of salaries. They shall regulate the following:

1. How long in case of involuntary disability the payment of the salary shall continue;
2. For what periods seniority increases of salary shall be granted;
3. Under what conditions a pension and survivors' relief shall be granted.

PAR. 2. They shall regulate also the requirements for promotion.

ARTICLE 354.

PARAGRAPH 1. Persons subject to the service regulations are appointed by written contract.

PAR. 2. The giving of notice of dismissal or the discharge of such employees shall, with reservation of paragraph 6, only be done on the concurring decision of the employers and insured persons in the directorate, or, in case such a decision is not effected, on decision of the majority of the directorate, with the approval of the presiding officer of the local insurance office; after 10 years of employment it may only take place for important reasons.

PAR. 3. Agreements relating to the right of the sick fund to give notice of dismissal must not place the employee in a worse position than he would be in the absence of an agreement according to the civil law.

PAR. 4. The giving of notice of dismissal or the discharge must not be forbidden in cases in which there are important reasons.

PAR. 5. Fines shall only be prescribed for not more than one month's salary.

PAR. 6. Employees who abuse their official position or their official affairs for the purpose of religious or political activity shall be reprimanded by the president of the directorate, and in the case of repetition, after they have been given an opportunity for a hearing, shall be discharged immediately; the discharge requires the approval

of the president of the local insurance office. Religious or political activity outside of official affairs and the exercise of the right of association shall not be prevented in so far as they do not conflict with the laws, and in themselves shall not be considered as reasons for giving notice of dismissal or for discharge.

ARTICLE 355.

PARAGRAPH 1. Before formulating the service regulations the directorate shall grant a hearing to the employees who are of age.

PAR. 2. In the directorate and also in the committee employers and insured persons decide separately on the service regulations.

PAR. 3. The service regulations require the approval of the superior insurance office. The directorate must designate to the superior insurance office those provisions of the service regulations on which the two groups in the directorate or committee have not agreed and must give a statement of the relative vote. The superior insurance office decides on these provisions; in other respects it only may refuse the approval of the service regulations, if there is an important reason, especially if the number or the salaries of the employees are in striking disproportion to their duties.

PAR. 4. If the approval is refused, the highest administrative authority decides on appeal.

PAR. 5. The same is applicable to changes in the service regulations.

ARTICLE 356.

If, notwithstanding a requisition, a sick fund does not submit within the specified time limit any service regulations, the superior insurance office shall draw up the same and they shall have legal effect. The same is applicable to amendments or additions ordered by a decree.

ARTICLE 357.

PARAGRAPH 1. Decisions of the directorate or of the committee running counter to the service regulations shall be challenged by the president of the directorate through an appeal to the supervisory authority; the appeal effects a stay.

PAR. 2. If the directorate or its president does not make use of the right of giving notice of dismissal or of discharge against an employee, notwithstanding that there is a serious reason therefor, the local insurance office may require them to do so. On appeal of the directorate, the superior insurance office (decision chamber) decides finally on the decree.

PAR. 3. A provision of the employment contract running counter to the service regulations is invalid.

ARTICLE 358.

PARAGRAPH 1. The local insurance office (decision committee) decides in disputes relating to the service matters of employees subject to the service regulations. On appeal the superior insurance office decides finally. The imperial decrees (art. 35, par. 2) regulate the particulars concerning the procedure of discharge of an employee on account of contravention of the service regulations or in the case of article 354, paragraph 6, in accordance with the provisions of the imperial law for officials concerning the writ of accusation, admission of counsel for the defendant, hearing of the defendant, oral procedure, and passing upon the evidence.

PAR. 2. The following special provisions are applicable to pecuniary claims.

PAR. 3. The decision of the superior insurance office must precede the suit. Suit may only be brought within one month after the delivery of the decision of the superior insurance office; the time limit is a peremptory time limit in the meaning of article 223, paragraph 3, of the Code of Civil Procedure.

PAR. 4. Appeal to the regular courts is excluded where the determination of fines is concerned. The regular courts must accept the decisions of the insurance authorities on the question whether the period of dismissal having been observed, a notice of dismissal may be given for an important reason (art. 354, par. 2).

PAR. 5. Execution of the valid decisions of the insurance authorities takes place according to book eight of the Code of Civil Procedure.

ARTICLE 359.

PARAGRAPH 1. The directorate of a local, a rural, or a guild sick fund may, with the approval of the superior insurance office, employ officials for life or according to the State laws without recall or with the right to pension.

PAR. 2. In the case of local, rural, or guild sick funds with over 10,000 insured persons the superior insurance office may, after a hearing of the sick fund, decree that at least the business directors shall be employed in this manner.

PAR. 3. The directorate may appeal against such a decree to the highest administrative authority.

PAR. 4. The State government may assign to officials appointed in this manner the rights and duties of State or communal officials.

PAR. 5. Article 357, paragraph 2, is applicable to the officials of the funds.

PAR. 6. No provision shall be made granting preference in the filling of vacancies to persons in possession of a certificate entitling the holder to a civil-service position (soldiers entitled to civil employment).

ARTICLE 360.

Where, according to the State laws, the officials of communes and other public corporations, who are not appointed for life or without recall, are obliged to join a pension fund under State control or a similar institution, the State government may extend the provisions in force for this purpose to the corporations and their employees to the local, rural, and guild sick funds and their employees.

ARTICLE 361.

Article 23, paragraph 1, is correspondingly applicable to managing officials or employees.

ARTICLE 362.

PARAGRAPH 1. In the case of establishment sick funds the employer appoints at his expense and on his own responsibility the persons necessary to conduct the affairs. Article 24 is correspondingly applicable to these persons.

PAR. 2. Employees of establishment sick funds, who abuse their official position or their official affairs for the purpose of religious or political activity, shall be reprimanded by the president of the directorate, and in case of a repetition shall be immediately discharged, after having been given an opportunity for a hearing; article 357, paragraph 2, is then correspondingly applicable.

V. ADMINISTRATION OF RESOURCES

ARTICLE 363.

PARAGRAPH 1. The resources of the sick fund shall only be used for the benefits provided by the constitution, for the accumulation of the reserve, for the administration expenses, and for the general purposes of the prevention of sickness.

PAR. 2. On the authorization of the highest administrative authorities it is permissible to use the resources of the sick fund for the attending of meetings which shall serve the legal purposes of sickness insurance.

ARTICLE 364.

PARAGRAPH 1. The sick fund shall accumulate a reserve equal to the minimum amount of one year's expenses computed according to the average of the last three years and shall maintain it at this amount. For this purpose it shall use the parts of contributions paid by employers for members of substitute sick funds (art. 517, par. 2), and at least one-twentieth of the annual amount of the other contributions of the fund.

PAR. 2. In the case of establishment sick funds created by decree, the constitution, with the approval of the superior insurance office, may make other provisions.

ARTICLE 365.

Securities of the sick fund which are not merely an investment of operating resources which are temporarily available, shall be kept in the custody of the union of communes, unless the local insurance office provides otherwise.

ARTICLE 366.

The Federal Council shall specify the method and form of accounting.

ARTICLE 367.

PARAGRAPH 1. The sick fund must submit to the local insurance office a balance sheet and also statements relating to—

1. Members.
2. Cases of sickness, cases calling for other benefits, and deaths.
3. Contributions received.
4. Benefits granted.
5. Kind and amount of reimbursement for medical treatment.
6. Number of physicians, specialists, dental surgeons, dental assistants, owners and administrators of pharmacies, and other such persons selling medicines, who give their services to the sick fund.

PAR. 2. The Federal Council shall specify the model forms and the time limits for transmitting them; it may extend the contents of the reports. The reports and balance sheets shall be compiled uniformly at least every four years for the Empire.

VI. RELATION TO PHYSICIANS, DENTISTS, HOSPITALS, AND PHARMACIES.

ARTICLE 368.

The relations between sick funds and physicians shall be regulated by written contract; the sick fund may, with the exception of urgent cases, decline to make payments to other physicians.

ARTICLE 369.

In so far as it would not seriously add to the expenses of the sick fund, its members shall be given the right to choose from at least two physicians. The insured person has free choice among the physicians appointed by the sick fund if he assumes himself the additional costs. But the constitution may specify, however, that the person under treatment may not change the physician during the same case of insurance or during the fiscal year without the approval of the directorate.

ARTICLE 370.

PARAGRAPH 1. If the providing of medical care by a sick fund is seriously endangered by the fact that the sick fund can not make contracts on reasonable conditions with a sufficient number of physicians, or because the physicians do not observe the contract, the superior insurance office (decision chamber) may authorize the sick fund on its application and subject to revocation to grant in place of the care of patients and other necessary medical treatment a pecuniary benefit up to two-thirds of the average amount of their legal pecuniary sick benefit.

PAR. 2. The superior insurance office (decision chamber) may at the same time specify—

1. How the condition of the person who shall receive the benefits may be proved by other means than by medical certificates.
2. That the sick fund may discontinue or withhold the benefits until sufficient proof is submitted.
3. That the obligation of the sick fund to pay benefits ceases if sufficient proof is not submitted within one year after the claim becomes due.
4. That the sick fund may direct those to whom it has to grant medical treatment to go to a hospital, even if the conditions of article 184, paragraph 3, do not exist.

PAR. 3. The sick-fund directorate has the right of appeal to the highest administrative authority against the decision of the superior insurance office (pars. 1 and 2).

ARTICLE 371.

PARAGRAPH 1. The constitution may authorize the directorate to grant hospital treatment only in certain hospitals, and where the sick fund must grant hospital treatment, to decline to make payments to other hospitals, with the exception of urgent cases.

PAR. 2. Hospitals intended exclusively for charitable or general welfare purposes or established by public unions or corporations, and ready to give hospital treatment on the same conditions as the hospitals designated in paragraph 1, may only be excluded for an important reason and with the approval of the superior insurance office.

ARTICLE 372.

PARAGRAPH 1. If the medical treatment or hospital care of a sick fund does not satisfy the legal demands of the sick persons, the superior insurance office may, with reservation of article 370, decree at any time that these benefits shall be granted by other physicians or hospitals; the fund shall first be given a hearing.

PAR. 2. This decree shall only apply so long as its purpose requires, and must have the approval of the superior insurance office if it is to be in force for more than one year.

ARTICLE 373.

PARAGRAPH 1. If the decree is not carried out within the time limit specified, the superior insurance office may itself take the necessary measures at the expense of the sick fund. Contracts already made by the sick fund with physicians and hospitals are not affected.

PAR. 2. The fund may appeal against these decrees and measures within one week to the highest administrative authority.

ARTICLE 374.

Articles 368, 372, and 373 are correspondingly applicable in regard to the relations between hospitals and dentists.

ARTICLE 375.

PARAGRAPH 1. Within the territory of the sick fund, or with the approval of the local insurance office outside of it, the constitution may authorize the directorate to make preferential contracts with individual owners or administrators of pharmacies for the furnishing of medicines, or in the case of medicines which are for sale in the open market, also with other persons selling them. All owners and administrators of pharmacies in the territory of the sick fund may join in such agreements. The directorate may then, with the exception of urgent cases and with reservation of article 376, paragraph 3, decline to make payments for medicines furnished by other parties.

PAR. 2. Articles 372 and 373 are correspondingly applicable, if the supply of medicines granted by a sick fund does not satisfy the legal demands of the sick persons.

ARTICLE 376.

PARAGRAPH 1. The pharmacies shall grant to sick funds a discount on medicines from the tariff prices for medicines. The highest administrative authority determines its rate; it may make it dependent for the individual pharmacies on a specified minimum consumption by the sick fund.

PAR. 2. The superior administrative authority determines, with due consideration of local conditions and of the usual retail prices, the maximum prices of such common medicines which may be obtained (in the retail trade) without physicians' prescriptions. These maximum prices must not exceed the amount based on paragraph 1. The highest administrative authority may decree the particulars in this connection.

PAR. 3. If the beneficiaries procure the medicines designated in paragraph 2 from a pharmacy at a price not exceeding the specified price, the superior administrative authority may decree that the sick fund shall not decline payment for the reason that it has agreed on lower prices with persons who are not owners or administrators of pharmacies.

SECTION FIVE—SUPERVISION.

ARTICLE 377.

PARAGRAPH 1. With reservation of articles 372 to 375 the local insurance office exercises the supervision over the sick funds. It extends also to the observation of the service and sickness regulations.

PAR. 2. If the appeal against a decree of the local insurance office is based on the fact that the decree has no legal foundation and injures a right of the appellant or imposes on him an unwarranted liability, the superior insurance office (decision chamber) shall decide thereon.

PAR. 3. In the case of establishment sick funds for imperial or State establishments, the highest administrative authority may transfer to other authorities the duties of the local insurance office which do not come under the competence of the judgment committee.

ARTICLE 378.

As a representative of the sick fund, the local insurance office itself or through an authorized agent may bring forward claims of an establishment sick fund against the employer resulting from his administration of the resources and keeping of the accounts.

ARTICLE 379.

PARAGRAPH 1. So long as the persons entitled to vote refuse to elect the administrative bodies of the sick fund, the local insurance office (decision committee) shall appoint the members or the substitutes.

PAR. 2. So long as the directorate, or its president, or the committee, refuse to perform the duties they are charged with, the local insurance office shall execute them itself, or through an authorized agent, at the expense of the sick fund.

SECTION SIX—RAISING OF THE FUNDS.

1. CONTRIBUTIONS.

ARTICLE 380.

The means for the sickness insurance shall be collected from the employers and the insured persons.

ARTICLE 381.

PARAGRAPH 1. The persons subject to insurance must pay two-thirds, their employers one-third of the contributions.

PAR. 2. In the case of guild sick funds the constitution may specify that the employers must pay one-half and the persons subject to insurance the other half of the contributions. Where this is specified by an amendment to the constitution, the decision requires a majority of the representatives of the employers as also those of the insured persons.

PAR. 3. Persons entitled to insure themselves voluntarily must pay the whole of the contributions.

ARTICLE 382.

The constitution may permit insured persons who temporarily draw lower wages to remain insured in their old higher class of wages, if they themselves undertake to pay the additional amount of the contributions or if the employer consents to such higher rating.

ARTICLE 383.

PARAGRAPH 1. In case of disability no contributions are to be paid for the duration of the sickness.

PAR. 2. The same is applicable during the receipt of the maternity and pregnancy benefits.

ARTICLE 384.

PARAGRAPH 1. The constitution may graduate the rates of the contribution according to the branches of industry and classes of employment of the insured persons, and provide for a higher proportion of the part paid by the employer in the case of individual establishments in so far as the risk of sickness is considerably higher.

PAR. 2. Sick funds with family benefits may collect from the insured persons with dependent families an additional contribution, which shall be specified by the constitution in a general manner. Articles 381, 382, and 385 to 403 are not applicable hereto.

PAR. 3. Where the constitution does not as a general rule allow sick benefits for Sundays and holidays, it may correspondingly raise the contributions for members for whom Sundays and holidays are working days.

PAR. 4. Provisions of this kind require the approval of the superior insurance office.

PAR. 5. If the directorate decrees higher contributions for an establishment, the employer has the right of appeal to the local insurance office. In the legal procedure the superior insurance office decides finally.

ARTICLE 385.

PARAGRAPH 1. The contributions shall be fixed in a percentage of the basic wage in such a manner that, inclusive of the other revenues, they shall be sufficient for the permissible expenses of the sick fund.

PAR. 2. The sick fund shall not collect contributions for other purposes.

PAR. 3. Where doubts arise whether the constitution or its amendment fixes the contributions according to paragraph 1, the superior insurance office shall have the contributions examined by experts before approving them. If they are not sufficient, the approval shall depend on an increase of the contributions or in a reduction of the benefits to a rate not lower than the regular benefits.

ARTICLE 386.

At the establishment of the sick fund the contributions may be fixed at more than 4½ per cent of the basic wage only if it is necessary in order to provide the regular benefits.

ARTICLE 387.

If the receipts of the sick fund do not cover its expenses, inclusive of the amounts for the reserve, benefits shall be reduced to a rate not lower than the regular benefits or the contributions shall be increased, by an amendment to the constitution.

ARTICLE 388.

The contributions may be increased to more than 4½ per cent of the basic wage only for the purpose of providing the regular benefits, or on concurring decision of employers and insured persons in the committee.

ARTICLE 389.

PARAGRAPH 1. If in the case of a local sick fund contributions as high as 6 per cent of the basic wage do not cover the regular benefits, then the contributions may be further increased only on a concurring decision of the employers and of the insured persons in the committee.

PAR. 2. Otherwise the superior insurance office shall order, with reservation of article 268, the consolidation of the fund with other local sick funds. If this should not be possible, or if notwithstanding the consolidation the contributions are not sufficient to provide the regular benefits, the union of communes must pay from its own resources the necessary assistance. As long as this is done it may place the office of president of the sick fund in the hands of a representative.

ARTICLE 390.

If in the case of a rural, an establishment, or a guild sick fund contributions to the amount of 6 per cent of the basic wage do not cover the regular benefits, the union of communes, with reservation of article 265, paragraph 2, in the case of rural sick funds, or the employer in the case of establishment sick funds, and the guild in case of guild sick funds, must provide the necessary assistance from its own resources. As long as this is done, in the case of a rural sick fund the union of communes can place the office of president of the sick fund in the hands of a representative.

ARTICLE 391.

PARAGRAPH 1. If to maintain or restore its solvency, a sick fund must quickly increase its revenues or reduce its expenses, the local insurance office (decision committee) may temporarily provide, until new regulations as provided by the constitution are made, that as far as necessary the contributions may be increased and the benefits reduced to not lower than the regular benefits; current benefits remain undisturbed.

PAR. 2. On appeal the superior insurance office decides finally.

ARTICLE 392.

If the revenues of a sick fund exceed the expenses and the reserve has reached double the amount of its legal minimum, the contributions shall be reduced or the benefits shall be increased by means of an amendment to the constitution.

II. PAYMENT OF THE CONTRIBUTIONS.

ARTICLE 393.

The employers must pay the contributions for their employees subject to insurance on the days fixed by the constitution. The days for payment may at the most be one month apart. On the same days the persons entitled to insure themselves voluntarily must pay their contributions.

ARTICLE 394.

PARAGRAPH 1. At the time of the payment of wages, the persons subject to insurance must permit their share of the contribution to be deducted from the cash wages. Only in this manner may the employers reimburse themselves for the shares of the contribution.

PAR. 2. The highest administrative authority may specify in what manner the share of the contributions of persons subject to insurance is to be refunded from their remuneration, if the same consists only of payments in kind or is paid by third parties.

ARTICLE 395.

PARAGRAPH 1. The deductions for the share of contributions are to be divided evenly among the wage periods in which they fall. The partial amounts may without imposing an additional burden on the insured persons be rounded off to amounts of even 10 pfennigs [2.38 cents].

PAR. 2. If deductions were not made for a wage period, they may be deducted only at the wage payment of the next wage period, if the contributions are not paid at a later time without any fault on the part of the employer.

PAR. 3. In the case of servants payments on account are not considered as wage payments.

ARTICLE 396.

PARAGRAPH 1. If the insured person is at the same time in several employment relations subject to insurance, the employers are collectively liable for the contributions.

PAR. 2. On application of one of the employers the local insurance office shall apportion the contributions.

ARTICLE 397.

PARAGRAPH 1. The contributions must be paid continuously until notice of leaving has been given according to the regulations.

PAR. 2. If the insured person leaves an employment between two pay days, and if due notice of his leaving has been given, the contributions paid in advance shall be refunded in proportion to the time.

PAR. 3. In case of establishment sick funds the contributions must be paid continuously until the termination of membership.

PAR. 4. The constitution can specify that contributions shall always be collected and refunded for full weeks.

ARTICLE 398.

PARAGRAPH 1. On application of a local, a rural, or a guild sick fund, as also on application of members of the administrative bodies of an establishment sick fund, the local insurance office (decision committee) may decree, with the right of revocation, that employers who are in arrears with the payment of contributions, and who in a process of execution have shown themselves to be bankrupt, shall pay their own share of the contributions only. The persons subject to insurance employed by them shall then themselves pay their share of the contributions on pay days.

PAR. 2. Against this decree the employer may appeal to the superior insurance office (decision chamber). It decides finally.

ARTICLE 399.

The decree must designate the employer to whom it is applicable, together with his name, residence, and place of business. He shall be notified of it in writing, as also the police authorities of his place of residence and of his place of business, if it be elsewhere. If the employer changes his residence or his place of business, the police authorities shall notify the competent authorities of his new place of residence or place of business.

ARTICLE 400.

The employer shall notify the persons subject to insurance employed by him of the decree by placarding it permanently in the work places, and at each wage payment call their attention to the fact that they themselves must pay their share of the contributions.

ARTICLE 401.

The local insurance office (decision committee) revokes the decree as soon as it has proof by the certificate of the sick fund directorate that all arrears and overdue obligations of the employer to the sick fund have been discharged.

ARTICLE 402.

So long as the decree concerning employers who in a process of execution have been shown to be bankrupt has not been issued, they must make the deduction from the wages and must pay the amount, at the latest within three days, to the sick fund entitled thereto.

ARTICLE 403.

The constitution of a local, a rural, or a guild sick fund may specify under what conditions the sick fund must demand advances from the employers.

ARTICLE 404.

PARAGRAPH 1. On application of the sick funds affected the local insurance office (decision committee) may specify that the joint places of registration shall also be pay offices to accept contributions and pay benefits.

PAR. 2. With the approval of their supervisory authorities, it may transfer to the local authorities the business of the pay offices.

PAR. 3. The local insurance office may, with their consent and with an agreement as to the costs, assist the sick funds in the collection of the contributions.

PAR. 4. The communal supervisory authority may appoint, after a hearing of the sick fund, the officials conducting the business as officials to make compulsory collections.

ARTICLE 405.

PARAGRAPH 1. If a dispute arises between the employer and his employees relating to the computation and apportionment of their share of the contributions, the local insurance office (decision committee) decides finally.

PAR. 2. If a dispute arises between an employer, or an insured person, or a person insured up to the present, or a person to be insured, and a sick fund relating to the insurance status or the liability to make, pay, or refund contributions, then the local insurance office (decision committee) shall decide and on appeal the superior insurance office shall decide finally.

PAR. 3. Final decisions as to the insurance status are binding for all authorities and courts. If the membership of an insured person has been definitely declined by all sick funds affected because they hold that he should belong to another of them, the sick fund to which he properly belongs shall be determined on application by the local insurance office (decision committee) or the superior insurance office (decision chamber) having jurisdiction of the funds, or in the absence of such by the highest administrative authority, without being bound by previous decisions.

SECTION SEVEN.—FEDERATIONS OF FUNDS—SECTIONS.

ARTICLE 406.

PARAGRAPH 1. On concurring decision of their committees, sick funds may combine in a federation of funds, if the seat is in the district of the same local insurance office.

PAR. 2. With the approval of the superior insurance office (decision chamber), or, if it is refused, with the approval of the highest administrative authority, a federation of funds may embrace districts or parts of districts of several local insurance offices. The superior insurance office specifies finally which local insurance office shall exercise supervision

ARTICLE 407.

The federation of funds may do the following in common for the affiliated funds:

1. Appoint employees and officials;
2. Prepare or conclude contracts with physicians, dental surgeons, dental assistants, owners and administrators of pharmacies, or other dealers in medicines, with hospitals, as also for the furnishing of therapeutic appliances and other necessities for the care of patients;

3. Supervise the patients according to uniform principles;
4. Establish and conduct medical institutions and convalescent homes;
5. Defray the expenses for benefits up to one-half, or within this limit defray the expenses for specified kinds of sickness or cases of sickness up to the whole amount.

ARTICLE 408.

PARAGRAPH 1. A constitution for the federation of funds shall be formulated by a concurring decision of the interested committees of the sick funds. It requires the approval of the superior insurance office. Article 324, paragraphs 2 and 4, is applicable to the refusal of the approval.

PAR. 2. Articles 4 to 34 are here correspondingly applicable.

ARTICLE 409.

The constitution must specify the following:

1. Name and seat of the federation and of the affiliated funds;
2. Object of the federation;
3. Composition, election, rights, and duties of the directorate, and of the elected committee, if there be such;
4. Determination of the preliminary budget and acceptance of the annual balance sheet;
5. Assessment of the contributions for covering the expenses of the federation, as also the assessing and accounting of the subsidy, if such be necessary;
6. Amendment of the constitution.

ARTICLE 410.

The provisions applicable to sick funds contained in articles 368 to 376 are also correspondingly applicable to federations of funds.

ARTICLE 411.

PARAGRAPH 1. At the end of the fiscal year each sick fund may withdraw from the federation if it has submitted to the directorate a notice of withdrawal at least six months in advance.

PAR. 2. The committees of the funds affected may dissolve the federation by concurring decision.

PAR. 3. The fund which has withdrawn is collectively liable for the obligations of the federation existing at the time of its withdrawal. Claims against the fund on account of these liabilities lapse in two years after the withdrawal, so far as the claim against the federation is not subject to a shorter limitation; if the claim against the federation matures only after the withdrawal, the period of limitation begins with the date when it becomes due.

ARTICLE 412.

PARAGRAPH 1. At the withdrawal of a fund or at the dissolution of the federation, each withdrawing fund receives a share of the net assets (art. 293), which corresponds for the last fiscal year to the proportion of its contributions to the total contributions to the federation. In the case of a deficit, each withdrawing fund shall contribute in the same proportion.

PAR. 2. Other arrangements may be made by the constitution or by mutual agreement.

ARTICLE 413.

PARAGRAPH 1. The local insurance office has the supervision of the federation. Articles 377 to 379 are here correspondingly applicable.

PAR. 2. Articles 349 to 361 are correspondingly applicable to the employees of the federation; also articles 363 and 365 to the administration of the resources. The Federal Council may specify how far articles 366 and 367 are applicable.

PAR. 3. The local insurance office (decision committee) decides in case of a dispute between the federation and the different funds in regard to federation relations.

ARTICLE 414.

For combinations of funds of other kinds, to promote the general objects of sickness relief, the resources of the funds shall only be used with the approval of both groups in the directorate. With the approval of the highest administrative authority, such combinations of funds may also undertake some of the special duties designated in article 407.

ARTICLE 415.

With the approval of the superior insurance office, sick funds may establish sections for specified groups of their members or for specified districts and assign to them a part, but at the most two-thirds of the revenues and benefits. Particulars relating to organization, administration, duties, and competence, shall be specified in the constitution.

SECTION EIGHT.—SPECIAL OCCUPATIONS.

I. GENERAL PROVISION.

ARTICLE 416.

The provisions of this book are applicable together with the special provisions of—
Articles 417 to 434, to persons employed in agriculture;
Articles 435 to 440, to servants;
Articles 441 to 458, to persons employed temporarily;
Articles 459 to 465, to persons employed in itinerant trades;
Articles 466 to 493, to persons engaged in home industries and to their home-working employees;
Article 494, to apprentices.

II. AGRICULTURE.

ARTICLE 417.

The following persons are considered as employed in agriculture:
1. If they are employed in agricultural subsidiary establishments (Arts. 918 to 921).
2. If they are employed in agricultural establishments which are subsidiary establishments of an industrial establishment, and according to article 540 are not insured in an industrial accident association (*Berufsgenossenschaft*), by the constitution of the same.

ARTICLE 418.

PARAGRAPH 1. Whoever in case of sickness has a legal claim for relief against his employer which is equivalent to the benefits of the competent sick fund shall on application of the employer be exempted from the insurance obligation.

PAR. 2. The prerequisite is that—
1. The employer defrays the entire relief from his own resources;
2. His solvency is assured;
3. That he makes application for all of his agricultural employees in so far as they are obligated by contract for at least two weeks' regular work.

PAR. 3. Article 175 is hereby applicable with the provision that the superior insurance office in place of the local insurance office decides finally.

ARTICLE 419.

PARAGRAPH 1. The exemption is in force only for the duration of the labor contract. It ceases earlier if the employer registers all his exempt employees at the sick fund, or if the local insurance office itself, or on application of an exempt employee, determines that the employer is insolvent. The sick fund is not liable for benefits in cases of insurance which have already occurred when the exemption expires or which occur in the case of article 214 in the first three weeks after this lapse; this does not affect the claim of the person exempted against his employer.

PAR. 2. Article 313 is applicable to the persons exempted, but shall be construed as if these persons had been members of the sick fund up to the expiration of the exemption; articles 195 to 200, and 224, are here also correspondingly applicable.

ARTICLE 420

PARAGRAPH 1. On application of the employer the contributions to the fund shall be correspondingly reduced for the duration of the labor contract, and the claim of the insured persons to a pecuniary benefit shall cease, if it is shown that at least—
1. The labor contract has been concluded for one year;
2. The insured persons are in receipt—
   Either for the whole year, of payments in kind equivalent to 300 times the daily pecuniary benefit provided by the constitution,
   Or for each working day, of a payment equivalent to this pecuniary benefit;
3. That they have a legal right to these benefits for the duration of the labor contract.

PAR. 2. If the insured person is sick and incapacitated for work beyond the duration of the labor contract, then his claim to a pecuniary benefit shall again come into force. The employer must refund to the sick fund the pecuniary benefit. Article 28 is correspondingly applicable.

PAR. 3. The contributions shall be reduced by the constitution with the approval of the superior insurance office, according to the relation of the pecuniary benefit to the value of the other benefits of the fund.

ARTICLE 421.

With the approval of the superior insurance office, the constitution may reduce the pecuniary benefit for insured persons who according to their labor contract are entitled in cases of sickness to benefits of less amount than those designated in article 420, paragraph 1, number 2; the contributions shall be correspondingly reduced.

ARTICLE 422.

PARAGRAPH 1. So far as the employer does not grant the relief (arts. 418 and 419), the sick fund shall on application of the person exempted grant the benefits provided by the constitution; if the employer does not furnish the benefits required by the contract (arts. 420 and 421), the fund must pay a pecuniary benefit to the sick member on application.

PAR. 2. The employer must reimburse the sick fund for what it has paid. Article 28 is correspondingly applicable.

PAR. 3. In disputes over the claim to reimbursement (par. 2, and art. 420, par. 2), the local insurance office decides in judgment procedure.

ARTICLE 423.

PARAGRAPH 1. With the approval of the superior insurance office, the constitution of a rural sick fund may specify that insured persons, who on the basis of the imperial insurance have been granted a permanent yearly pension amounting to 300 times the daily pecuniary benefit provided by the constitution, shall receive no pecuniary benefit.

PAR. 2. The contributions of these members shall be correspondingly reduced (art. 420, par. 3).

PAR. 3. With the approval of the superior insurance office, the constitution may specify a lower basic wage than the local wages for employees who are partially and permanently disabled.

ARTICLE 424.

With the approval of the superior insurance office, and as a general measure or for specified groups of insured persons, the constitution of a rural sick fund may reduce the pecuniary benefit to one-fourth of the local wages for the period from October 1 to March 31, or for a part of this period; it must reduce the contributions for the same period correspondingly or increase the pecuniary benefit within the limits permitted for the remainder of the period. The same is correspondingly applicable to house money.

ARTICLE 425.

The provisions of articles 420 to 423 applicable to the pecuniary benefit are also applicable to the other cash benefits of the fund with the exception of the funeral benefit.

ARTICLE 426.

For the territory of the federal State or for parts of it the highest administrative authority may permit the rural sick funds to introduce extended sick treatment for sick persons incapacitated for work.

ARTICLE 427.

The constitution may contain such provisions only if in the district of the rural sick fund—

1. The productive capacity of the agricultural employees or their employers would be impaired otherwise;
2. The presence of a sufficient number of hospitals and similar medical institutions assures the execution of the extended sick treatment.

ARTICLE 428.

Such provision requires the approval of the superior insurance office; in districts in which agricultural employees are already insured according to the general provisions of this book or according to the sickness insurance law the approval required is that of the highest administrative authority.

ARTICLE 429.

Extended sick treatment consists of medical treatment and maintenance in a hospital or a similar medical institution in the place of the care of patients and of the pecuniary benefit. This extended benefit is considered as a regular benefit.

ARTICLE 430.

PARAGRAPH 1. A disabled sick person need not be removed to a medical institution if, according to a medical opinion, it would not promote his cure.

PAR. 2. If through no fault of his own the disabled sick person is not taken to a medical institution, then the rural sick fund must grant the legal sick relief. The constitution may specify that under the conditions mentioned in articles 420 and 421 the pecuniary benefit shall not be paid entirely or partly, but shall be credited to the contributions of the insured persons which will become due at the next time of payment.

ARTICLE 431.

As long as the sick person declines hospital treatment in a case where such treatment requires his own consent, according to article 184, he has only a claim to medical treatment and to half the pecuniary benefit if he has up to the present supported his relatives either wholly or principally with his earnings, unless the constitution provides otherwise.

ARTICLE 432.

PARAGRAPH 1. The constitution shall specify in the case of extended sick treatment whether and in what amount house money is to be granted in addition to the hospital treatment.

PAR. 2. Where the constitution prescribes extended sick treatment it may at the same time fix a maximum funeral benefit of 30 marks [$7.14].

PAR. 3. The constitution may confine the granting of extended sick treatment to cases of insurance occurring during unemployment and within three weeks after membership has ceased.

PAR. 4. It shall correspondingly reduce the contributions for the insured persons who in case of sickness are entitled only to the extended sick treatment.

ARTICLE 433.

If the constitution of a rural sick fund contains specifications according to articles 423 to 432, the constitutions of agricultural establishment sick funds which have their seat in the district of the rural sick fund may specify the same regulations.

ARTICLE 434.

Articles 503 and 517 to 520 are not applicable to agricultural employees with exception of the gardeners and of industrial workmen temporarily employed in agriculture; the Federal Council shall specify what employments shall be considered as temporary.

III. SERVANTS.

ARTICLE 435.

Articles 418, 419, 422, and 426 to 434 are also applicable to the insurance of servants; however, the introduction of the extended sick treatment is not restricted by the conditions mentioned in article 427, paragraph 1, and the superior insurance office is always the competent office for the approval. On application of the employer or of the insured person, removal to a medical institution shall not occur if, according to a medical opinion, it is not necessary.

ARTICLE 436.

The employer may deduct the pecuniary benefit from the wages which he must continue to pay to the servant during the sickness.

ARTICLE 437.

Even where the constitution does not provide for extended sick treatment, the sick fund must grant it on application of the employer or of the servant, to a servant residing in the household, if the sickness is contagious; or if because of the nature of the sickness he can not be treated or taken care of in the household or this can be done only with considerable inconvenience to the employer.

ARTICLE 438.

PARAGRAPH 1. In a dispute between the employer and the sick fund in regard to this kind of obligation (art. 437) the local insurance office decides finally.

PAR. 2. On its application the local insurance office may exempt the sick fund from the extended sick treatment in cases where without fault on the part of the sick fund such treatment can not be provided.

ARTICLE 439.

If servants are also employed in the establishment or in another business undertaking of the employer, such employment, so far as it is not by itself exempt from insurance according to article 168, shall be determinative for their insurance and for the claims against the employer which they have in cases of sickness according to the law or constitution.

ARTICLE 440.

PARAGRAPH 1. The State government may specify that servants are exempt from insurance according to this law if, at its publication, relief provision in case of sickness has been provided for them by State law.

PAR. 2. In extent and duration this relief must be at least equivalent to the regular benefits of the sick funds, or must be made equivalent within six months after the coming into force of this law.

PAR. 3. The contributions collected for a servant in this connection must not be higher than the shares of contribution that he would have to pay according to this law.

IV. TEMPORARY EMPLOYMENT.

ARTICLE 441.

The employment is defined as temporary if by its nature it is usually restricted to less than one week, or if it is restricted by the labor contract in advance.

ARTICLE 442.

PARAGRAPH 1. Persons employed temporarily who are not exempt from insurance according to article 168 shall be insured in the general local sick fund, or if they are principally employed in agriculture in the rural sick fund of their place of residence.

PAR. 2. The sick fund must keep an alphabetical membership list of such persons and must keep it up to date.

PAR. 3. The membership in the sick fund begins with the registration in this list.

ARTICLE 443.

As soon as a sick fund is informed that a temporarily employed person of its district does not belong to a sick fund, although subject to insurance, it must itself register such employee.

ARTICLE 444.

PARAGRAPH 1. Persons subject to insurance must report themselves for registration.

PAR. 2. The local insurance office, the communal and the police authorities, the place of issue of receipt cards (art. 1419), as well as the administrative bodies and the employees of the insurance carriers, must notify the proper sick fund of every person subject to insurance who is temporarily employed and who is not already a member of a sick fund.

PAR. 3. The highest administrative authority may regulate the particulars concerning this duty.

ARTICLE 445.

The sick fund may summon persons employed temporarily to decide upon their insurance obligation and compel them by a fine of not more than 10 marks [$2.38] to comply with the summons.

ARTICLE 446.

The person registered continues to be a member also during the time in which he is not temporarily employed for compensation.

ARTICLE 447.

PARAGRAPH 1. The insured person shall on his resignation be taken off the list if he produces proof that he has become a member of another fund, or that he has given up the temporary employment and has done so not merely temporarily.

PAR. 2. He shall also be taken off the list if the sick fund establishes these facts in any other manner, or if it learns that the insured person has died or has moved to the district of another sick fund.

PAR. 3. A person who has been taken off the list may continue to be a member according to article 313. The constitution shall specify the particulars concerning contributions and benefits.

ARTICLE 448.

PARAGRAPH 1. If the insured person again resigns from the other sick fund (art. 447), or again takes up the temporary employment, he shall immediately apply again for registration in the list.

PAR. 2. The sick fund shall supervise the insurance status of such persons.

ARTICLE 449.

PARAGRAPH 1. If the insured person has been registered by an employer at his sick fund according to article 317, then this fact is to be noted on the list.

PAR. 2. Membership based on this registration continues the earlier membership without interruption.

PAR. 3. After notice of leaving has been given through the employer, the notation on the list shall be canceled.

ARTICLE 450.

PARAGRAPH 1. The contributions and the benefits shall be established by the constitution in each case according to the local wage rates; in such case it may increase by supplementary charges the rates of local wages for individual groups of persons temporarily employed. The approval of the superior insurance office is required for the rates so established.

PAR. 2. Paragraphs 2 and 3, of article 423, may be applied.

PAR. 3. The sick fund shall enter these contributions and benefits in separate accounts.

PAR. 4. The persons employed temporarily must themselves pay their share of the contribution (art. 381, par. 1).

PAR. 5. They have a claim to additional benefits of their sick fund provided by the constitution only in so far as the constitution so specifies.

ARTICLE 451.

PARAGRAPH 1. The constitution may specify that persons employed temporarily shall have a claim to sick-fund benefits only after a waiting term of not more than 6 weeks.

PAR. 2. If an earlier membership existed not longer than 26 weeks previous, then its duration shall be included in the waiting term.

ARTICLE 452.

PARAGRAPH 1. If a person employed temporarily before his sickness, has not paid his share of the contributions for more than 8 weeks during the last 26 weeks, he shall receive only medical treatment; the funeral benefit may not exceed 30 marks [$7.14].

PAR. 2. The same is applicable to an insured person who has been a member less than 26 weeks, if he has not paid his share of the contributions for more than one-fourth of the duration of the insurance.

ARTICLE 453.

At the end of each quarter the union of communes must pay to the sick fund the total amount of the shares of the contributions of the employers, for which an account is submitted.

ARTICLE 454.

PARAGRAPH 1. The union of communes may assess this amount in such a manner that it is paid either by all the inhabitants of the sick-fund district, or separately by the local sick funds and the rural sick funds of the district according to the number of inhabitants affected.

PAR. 2. Inhabitants who are accustomed to employ persons temporarily either in large numbers, or for long periods of time, shall be assessed at a higher rate in such cases.

ARTICLE 455.

PARAGRAPH 1. With the approval of the union of communes and of the superior insurance office, the constitution may specify that persons temporarily employed shall not pay any share of the contributions.

PAR. 2. In such a case the sick fund shall grant them only the benefits described in article 452, paragraph 1.

ARTICLE 456.

PARAGRAPH 1. The State government may specify how far an approval is necessary for decisions of the union of communes made according to articles 454 and 455.

PAR. 2. It may specify the legal procedure permissible against the assessment (art. 454).

ARTICLE 457.

In their capacity as employers of temporary employees, as well as persons temporarily employed who do not pay any contributions according to article 455, they are neither entitled to hold office in the sick fund nor entitled to vote.

ARTICLE 458.

PARAGRAPH 1. For the federal State or for parts of it, the State government may regulate the registration and payment of contributions for persons temporarily employed in other ways.

PAR. 2. The State government may also decree that persons temporarily employed shall be insured according to the general provisions of this book, though if they are employed in agriculture, then according to the provisions specially applicable thereto, if the State government itself or a statute of the union of communes or the constitution of the sick fund, takes care that the insurance, especially the registration, shall be administered properly and that the contributions shall be correctly paid.

V. ITINERANT TRADES.

ARTICLE 459.

PARAGRAPH 1. The employer, who must have an itinerant trade license, must register the persons employed in his itinerant establishment, if he intends to take them with him from place to place; he must, however, register only their number and have this number made members in the rural sick fund of the place where he applied for the license from the police authority.

PAR. 2. Employees in excess of the number registered and for whom he has requested a permit only after the receipt of the license according to article 62 of the Industrial Code must be registered through the intervention of the authority competent for this permit.

ARTICLE 460.

PARAGRAPH 1. At the registration the employer must pay in advance the contributions either for the period up to the expiration of the itinerant trade license, or for a shorter period, with the permission of the directorate of the fund.

PAR. 2. If the license or the permit (art. 459, par. 2) is revoked or the establishment shuts down otherwise, then the directorate on application shall refund the excessive contributions; the directorate shall also make a refund for the full calendar weeks, for which it can be shown that the employer did not take the persons with him.

ARTICLE 461.

PARAGRAPH 1. In the case of article 459, paragraph 1, the sick fund shall certify according to the model form determined by the federal council, the contributions

which have been received or postponed, together with a statement of the basic wage and of the weekly contribution. This certificate is to be submitted to the police authorities when application is made for the itinerant trade license.

PAR. 2. In the case of article 459, paragraph 2, the contribution shall be paid to the authority there designated, and shall be transmitted by them to the competent rural sick fund.

PAR. 3. The itinerant trade license may be granted only if the certificate is produced, the permit only if the contributions have been paid.

Par. 4. The basic wage and the weekly contributions shall be stated on the itinerant trade license.

ARTICLE 462.

PARAGRAPH 1. The insured person shall receive the regular benefits of the sick funds. Article 382 is not applicable to them. The constitution may specify that the insured person on his own application shall also have a claim to the additional benefits of the sick fund as long as the persons to whom they are to be granted remain in the district of the sick fund.

PAR. 2. If the sick fund grants more to its other members, it may correspondingly reduce the contributions of persons employed in itinerant trades.

ARTICLE 463.

PARAGRAPH 1. For the periods which are not more than one month back the employer may deduct from the wages of the insured persons two-thirds of the contributions paid by him for them.

PAR. 2. The local insurance office of the place where they are staying decides in a dispute as to the deductions.

ARTICLE 464.

A person who carries on an itinerant trade for another (art. 60d, par. 2, of the Industrial Code) shall have the rights and duties of the employer according to articles 459 to 463.

ARTICLE 465.

PARAGRAPH 1. The Federal Council may specify the particulars for the execution of articles 459 to 464.

PAR. 2. It may specify how far persons who are employed by an employer without itinerant trade license in his itinerant trade establishment (art. 59 of the Industrial Code) and whom he takes with him from place to place, are subject to insurance, and it may regulate their insurance otherwise than as stated in articles 459 to 464.

VI. HOME-WORKING INDUSTRIES.

ARTICLE 466.

PARAGRAPH 1. Persons engaged in home-working industries, who are not exempt from insurance according to article 168, shall, so far as the law does not otherwise prescribe or permit, be insured in the rural sick fund in whose district they have their own working place, without regard to the seat of the establishment of the person who gives them the order.

PAR. 2. Their home-working employees shall be insured in the same fund.

ARTICLE 467.

The Federal Council may specify under what conditions persons engaged in home-working industries, to whom a yearly total minimum income of 2,500 marks [$595] is assured, may on their application, be exempted from insurance as regards their own person.

ARTICLE 468.

PARAGRAPH 1. Article 442, paragraphs 2 and 3, and articles 443 to 449, are correspondingly applicable to persons engaged in home-working industries and their home-working employees (persons engaged in home-working industries subject to insurance).

PAR. 2. Without prejudice to these provisions, persons engaged in home-working industries who regularly employ, apart from the members of the family in the household, at least two persons subject to insurance as home workers, shall register themselves and all employees in the sick fund for the purpose of entry in the list according to articles 317 to 319, and shall withdraw the names in the same manner.

ARTICLE 469.

The resources for the sickness insurance shall be raised partly by subsidies from those persons on whose order and for whose account the work is done on the home-work system (subsidies of the persons giving the order), partly from the persons engaged in home-working industries themselves and partly from their home-working employees (contributions).

ARTICLE 470.

PARAGRAPH 1. The subsidies of the persons giving the order shall be based only on the wages which they pay to the persons engaged in home-working industries for the delivered work; no attention shall be paid to the facts as to whether the individual person engaged in home-working industries belongs to a sick fund, to which sick fund he belongs, or what contributions he pays for himself and his employees in the fund.

PAR. 2. The value of raw materials and supplies which the person engaged in a home-working industry has furnished, may be left out of consideration in computing the wages.

ARTICLE 471.

The subsidies of the persons giving the order shall be computed uniformly for all industry branches and for the territory of the Empire in such a manner that in any one year their total amount shall cover half of the total cost which would accrue to the rural sick funds if they should grant the regular benefits with the local wages as the basic wage, and if all persons engaged in home-working industries subject to insurance should belong to them.

ARTICLE 472.

PARAGRAPH 1. The subsidies of the persons giving the order are fixed up to December 31, 1914, at 2 per cent of the wages paid.

PAR. 2. Thereafter the Federal Council shall determine them for four-year terms after a hearing of the accounting bureau of the Imperial Insurance Office; for the first 10 years after the coming in force of this law the Federal Council is not restricted to these periods.

ARTICLE 473.

PARAGRAPH 1. During the first week of each month, the person giving the order must transmit to the rural sick fund of the seat of his establishment a list of the persons engaged in home-working industries employed during the past month.

PAR. 2. Where no rural sick fund exists for the seat of the establishment of the person giving the order, the list is to be transmitted to the general local sick fund.

ARTICLE 474.

PARAGRAPH 1. In the list there shall be stated the name and the seat of the establishment of the person engaged in home-working industries as well as the amount of the earnings.

PAR. 2. If the value of the raw and other materials furnished by the person engaged in home-working industries have been included, then the quantity and value of these materials shall also be given as well as the amount actually paid after deduction of their value.

ARTICLE 475.

PARAGRAPH 1. On application of the person engaged in home-working industries, the local insurance office competent for his residence determines finally as to the value of the raw and other materials.

PAR. 2. For industries in which home work is customary in the district, the local insurance office shall itself determine the average value of raw and other materials and verify such valuations from time to time. On appeal the superior insurance office decides finally. On application, the local insurance office communicates the average value to the person engaged in home-working industries, the person who gives the order, and to his sick fund (art. 473).

ARTICLE 476.

This fund must communicate the list of persons engaged in home-working industries not insured with itself, to the fund in which they are designated as members. In case of doubt the list shall be communicated to the proper fund by the local insurance office to which the working place of the person engaged in home-working industries belongs.

ARTICLE 477.

PARAGRAPH 1. When transmitting the lists, the person who orders the work shall pay the subsidies due. The computed amounts are to be rounded off to even pfennigs.

PAR. 2. Until the time of the mutual balancing of accounts (art. 492, par. 2) the fund must keep in custody the subsidies paid to it for the account of other funds.

ARTICLE 478.

PARAGRAPH 1. The fund to which the person engaged in home-working industries belongs, must credit him with the subsidies paid for him according to the lists.

PAR. 2. If subsidies have been paid by the persons giving the order for noninsured persons, or if for other reasons the subsidies can not be credited to an insured person, the fund must use them to cover any deficits which arise out of the insurance of persons subject to insurance in home-working industries.

PAR. 3. If the result of the last three fiscal years shows that a considerable surplus is available, it must be used for the purpose of reducing the contributions or of increasing the benefits for persons subject to insurance in home-working industries.

ARTICLE 479.

PARAGRAPH 1. The provisions relating to disputes over contributions (art. 405) are correspondingly applicable to disputes over subsidies.

PAR. 2. The persons giving the order have the status of employers for the purposes of articles 137 to 140.

ARTICLE 480.

PARAGRAPH 1. The constitution shall determine specifically the contributions which persons engaged in home-working industries must pay for themselves and for their home-working employees, as well as the sick benefits for these persons.

PAR. 2. The local wages serve as the basic wage.

ARTICLE 481.

PARAGRAPH 1. The contributions are to be computed in such a manner that, together with the subsidies of the persons who give the order, they shall cover the cost which accrues to the fund from the insurance of its members engaged in home-working industries.

PAR. 2. As long as the amount of the subsidies can not be approximately determined, the contributions of the members engaged in home-working industries are to be computed in such a manner that they shall cover one-half of the cost which would accrue to the sick fund by granting the regular benefits to these members.

PAR. 3. The general provisions relating to contributions are correspondingly applicable to the contributions which the person engaged in home-working industries has to pay for himself and his home-working employees.

ARTICLE 482.

PARAGRAPH 1. The sick benefits shall consist of a pecuniary benefit in addition to medical treatment.

PAR. 2. The amount of the pecuniary benefit is based on the amount of the subsidies of persons giving orders which have been credited to the person engaged in home-working industries. Unless the constitution specifies otherwise, the pecuniary benefit in such case stands in the same relation to the legal pecuniary benefit as the amount of the subsidies credited during the last fiscal year to the person engaged in home-working industries stands to that of all the contributions, which the person engaged in home-working industries has paid during this period; higher benefits than those prescribed by the constitution shall not be granted.

PAR. 3. If the insurance has been in force only a short time then the contributions of this period only shall serve as basis.

ARTICLE 483.

With the approval of the superior insurance office the constitution may specify how far the pecuniary benefit shall be reduced or withheld, if the person engaged in home-working industries is in arrears with his contributions.

ARTICLE 484.

PARAGRAPH 1. Whatever is applicable to the pecuniary benefit is also applicable to the other cash benefits of the fund, but with the exception of the funeral benefit.

PAR. 2. With the approval of the superior insurance office the constitution may graduate the funeral benefit according to article 482, paragraphs 2 and 3.

ARTICLE 485.

PARAGRAPH 1. On his application the fund shall permit the person engaged in home-working industries to pay double the amount of the contributions. The constitution may specify the particulars, such as when he may make the application and withdraw it. The share of the contributions of his home-working employees is not changed in such cases.

PAR. 2. In this case the subsidies paid in for him shall be paid over or credited to the person engaged in home-working industries. He and his employees subject to insurance are entitled to the full benefits which the constitution prescribes for insured persons engaged in home-working industries.

PAR. 3. The subsidies shall also be paid over or credited to persons engaged in home-working industries who are insured on account of other employment subject to insurance.

ARTICLE 486.

PARAGRAPH 1. If persons engaged in home-working industries are permanently employed only by the same person giving the order, with their consent he may also pay their contributions.

PAR. 2. He may then collect the contributions from the person engaged in home-working industries in the same manner as an employer collects the share of contributions from insured persons. The payment of the earnings is in such a case considered as the same as the payment of wages.

ARTICLE 487.

Articles 426 to 432 are here correspondingly applicable.

ARTICLE 488.

PARAGRAPH 1. If when this law comes into force the insurance of persons engaged in home-working industries is already regulated by statutory provisions for a given district or an industry, then the highest administrative authority may on application of the communes or of the union of communes affected permit the statutory provisions to remain in force.

PAR. 2. The approval is conditional upon the fact that the person giving the order and the person engaged in home-working industries have their establishment seat in the district of the local insurance office, or in the larger district determined by the highest administrative authority according to local requirements, and that the benefits granted to persons engaged in home-working industries are at least equivalent to those granted by this law.

PAR. 3. Amendments to the statutory provisions require the approval of the highest administrative authority.

PAR. 4. Subsidies received from other persons giving orders to one engaged in home-working industries shall be paid or credited to him.

ARTICLE 489.

PARAGRAPH 1. The union of communes may by statute exempt the person subject to insurance engaged in home-working industries from the obligation of contribution and assume itself the costs, in so far as they are not covered by the subsidies of the persons giving the order; article 485, paragraphs 1 and 2, is then applicable.

PAR. 2. In such a case it may be specified that the fund shall grant to these persons subject to insurance only the benefits designated in article 452.

PAR. 3. The statute must have the approval of the superior insurance office (decision chamber), and the provisions of paragraph 2 must have the approval of the highest administrative authority.

ARTICLE 490.

PARAGRAPH 1. The State government may decree that in districts in which the persons engaged in home-working industries are unable to pay contributions, the union of communes shall assume the costs designated in article 489, paragraph 1.

PAR. 2. The insured persons engaged in home-working industries shall then receive only the benefits specified in article 452; article 485, paragraphs 1 and 2, is not applicable.

ARTICLE 491.

PARAGRAPH 1. Where persons engaged in home-working industries are employed by intermediaries, such as persons who give the work out, factors, or subcontractors (*Zwischenmeister*) on the order of a third party, then the latter is considered as the person who gives them the order.

PAR. 2. The Federal Council may transfer to the intermediaries either all or part of the duties of the person who gives the order; the person who gives the order must refund to them the subsidies already paid.

ARTICLE 492.

PARAGRAPH 1. The Federal Council shall specify the manner in which the provisions relating to the insurance of persons engaged in home-working industries shall be executed.

PAR. 2. It shall especially regulate the manner in which the sick funds shall account for the subsidies among each other. It may order the participation of the accounting bureau of the Imperial Insurance Office in the accounting. It shall draw up the model forms for the lists and shall specify the bases which must be submitted for the reexamination of the subsidies.

ARTICLE 493.

The Federal Council may specify the manner in which German persons who give orders to foreign persons engaged in home-working industries may be drawn on for contributions for the sickness insurance of persons engaged in home-working industries which they would have to pay if they employed Germans, and how these payments are to be used. It may punish contraventions of these provisions with a fine of not more than 300 marks [$71.40].

VII. APPRENTICES.

ARTICLE 494.

PARAGRAPH 1. No pecuniary benefit shall be granted to any class of apprentices who are employed without compensation.

PAR. 2. The contributions shall be correspondingly reduced.

SECTION NINE.—MINERS' SICK FUNDS.

ARTICLE 495.

PARAGRAPH 1. In their constitutions the miners' sick funds must grant to their members at least the regular benefits of the local sick funds.

PAR. 2. With the approval of the supervisory authority, they may pay the pecuniary benefit otherwise than weekly, but in no longer intervals than semimonthly.

ARTICLE 496.

Miners' sick funds may collect an entrance fee from members who can prove that they have already belonged to another sick fund, only if more than 26 weeks have elapsed between the resignation and admission.

ARTICLE 497.

An application for exemption from compulsory insurance according to article 173 shall require the consent of the majority of votes both from the group of employers in the directorate and from the group of the insured persons.

ARTICLE 498.

PARAGRAPH 1. Articles 206 and 383 are applicable to the members.

PAR. 2. If the constitution specifies a waiting term for the claim to additional benefits, then members who leave for the purpose of performing their term of service in the Army or Navy may interrupt this waiting term for the duration of the service period, as well as for a maximum of 26 weeks additional. No new entrance fee shall be collected from them in this case.

ARTICLE 499.

PARAGRAPH 1. The provisions of articles 119, 223, paragraphs 2 and 3, relating to transfer, assignment, attachment, and charging up of insurance claims, are applicable to all benefits which the miners' associations or sick funds must pay according to this law or to the State laws.

PAR. 2. The highest administrative authority shall specify which authority is competent for the approval according to article 119, paragraph 2.

ARTICLE 500.

PARAGRAPH 1. Articles 211 to 214, 219 to 222, 224, 313, and 314 are here correspondingly applicable.

PAR. 2. If the place of residence of a sick person belongs to the territory of a miners' sick fund, the latter must grant the preliminary relief, urgent cases excepted.

ARTICLE 501.

PARAGRAPH 1. The representatives of the insured persons in the general meeting (miners' elders) in the directorate of the miners' sick funds, miners' associations, and miners' funds, must be elected by secret ballot. Election according to the principles of proportionate representation is permissible.

PAR. 2. Invalid miners may be elected to the general meeting and to the directorate of a miners' sick fund, even if they pay contributions to the sick fund as voluntary members.

ARTICLE 502.

PARAGRAPH 1. Articles 368 to 376 are here applicable.

PAR. 2. In other cases, so far as this law does not provide otherwise, the provisions of State laws relating to miners' associations and miners' funds remain unaffected.

SECTION TEN.—SUBSTITUTE FUNDS.

I. AUTHORIZATION.

ARTICLE 503.

PARAGRAPH 1. Mutual insurance associations to which a certificate as a registered aid fund according to article 75a of the sickness insurance law has been granted before April 1, 1909, shall on their application be admitted as substitute funds for the district and class of their members subject to insurance: *Provided*, That they have a permanent membership of more than 1,000 members, and that their constitution meets the requirements of articles 504 to 513.

PAR. 2. On application of such an insurance association the highest administrative authority of its seat may reduce the minimum membership to 250.

ARTICLE 504.

PARAGRAPH 1. The admission of persons subject to insurance may be made dependent on participation in other societies or associations only if the constitution at the time of the establishment of the association contained such a provision applicable to all the members.

PAR. 2. In other respects members shall not be obliged to perform acts or to refrain from actions which do not affect the object of the association.

ARTICLE 505.

PARAGRAPH 1. Persons subject to insurance who belong to the class of persons for whom according to its constitution the association was established shall, with reservation of article 504, paragraph 1, not be denied admission; in particular, admission shall not be made dependent on their age or state of health.

PAR. 2. The association may, however, subject those who apply for admission to a medical examination, and refuse the admission of persons who are sick at the time.

PAR. 3. The association may reject persons subject to insurance who apply for admission if they are in debt to the substitute fund for contributions from a former membership or if they have a claim to benefits from some other insurance which are at least equal to the benefits of their sick fund.

ARTICLE 506.

PARAGRAPH 1. If not later than January 1, 1911, the association has graduated the contributions of persons subject to insurance, according to their age at the time of admission, then it may retain these grades and change them with the approval of its supervisory authority. But the highest grade must not exceed the lowest by more than was the case on the date specified, and at the most by one-half. The association may increase the contributions of persons subject to insurance according to their state of health at the time of admission, but such increase shall not be greater than one-fourth of the regular rate.

PAR. 2. The association shall not graduate its benefits according to the age or state of health of those who join.

ARTICLE 507.

PARAGRAPH 1. The person subject to insurance shall be granted benefits at least equal to the regular benefits of the sick funds according to the basic wage which is the standard in his sick fund. The association may restrict persons subject to insurance to the lowest class of membership which meets these requirements.

PAR. 2. Benefits for persons subject to insurance may be reduced only to the same extent as in the case of the sick funds. The association must draw up sickness regulations (art. 347, par. 1) for them; the regulations must have the approval of the local insurance office competent for its seat.

PAR. 3. The association may increase the pecuniary benefit by one-fourth of the basic wage (par. 1) to persons subject to insurance who do not make use of the right of article 517, paragraph 1.

ARTICLE 508.

The association may grant to its members and their dependents without restriction as to duration or amount all the benefits which sick funds of their kind are permitted to grant by article 179. The benefits to survivors of deceased members shall not exceed ten times the weekly benefit to which the deceased person was entitled.

ARTICLE 509.

PARAGRAPH 1. The resources of the association may be used only for the benefits provided by the constitution, for the accumulation of the reserve, for the costs of administration, and for the general purpose of the prevention of sickness.

PAR. 2. It is also permissible to use them for the attendance at meetings which shall serve the legal purposes of the sickness insurance and of the substitute funds.

PAR. 3. The association shall not collect contributions for other purposes from the persons subject to insurance.

PAR. 4. It may only undertake matters which the law relating to registered aid funds (Reichs-Gesetzblatt 1876, p. 125, and 1884, p. 54) permit, or which this book [book two] permits.

ARTICLE 510.

Only members who are of age and in possession of their civic rights may belong to the directorate or supervisory council.

ARTICLE 511.

After their admission the association may not exclude members or treat them less favorably in regard to contributions or benefits because they have passed a certain age limit or because their state of health has undergone a change.

ARTICLE 512.

Members who have belonged to it for two years shall not be excluded because they have resigned from a society or association, or are excluded therefrom. If it excludes a member before the expiration of two years for such a reason, it shall refund him not less than the entrance fee, if he has paid such.

ARTICLE 513.

The association may permit the resignation of persons subject to insurance only at the close of the calendar quarter, regardless of the fact that they may have changed their employment in the meantime.

ARTICLE 514.

PARAGRAPH 1. The superior administrative authority of its seat shall decide on the application of an association for authorization to act as a substitute fund. The Imperial Insurance Office shall decide in case its district extends beyond the borders of the federal State.

PAR. 2. If the application is approved, the association receives a certificate to that effect and it shall add to its name the words "substitute fund."

PAR. 3. The authorization may be refused only if the association does not meet the requirements of the provisions of articles 503 to 513. The reasons for refusal shall be stated.

ARTICLE 515.

PARAGRAPH 1. The certification of the superior administrative authority must be published by the newspaper designated for its official announcements and the certification of the Imperial Insurance Office by the Reichsanzeiger.

PAR. 2. As proof of authorization a printed copy of the constitution of the association may be used and it shall contain the certification, in addition to the year of publication, number, and page number, of the newspaper.

ARTICLE 516.

PARAGRAPH 1. If an authorized association does not meet, or no longer meets the conditions of authorization, and in spite of the request of its supervisory authority does not remedy this defect within the specified time limit which must be not less than six weeks, then the certification shall be revoked.

PAR. 2. It shall also be revoked if the association increases the group of persons subject to insurance who may belong to the association.

PAR. 3. The reasons for revocation shall be communicated. It shall be published in the same manner as the certification.

II. RELATION TO SICK FUNDS.

ARTICLE 517.

PARAGRAPH 1. In the case of persons subject to insurance who are members of a substitute fund, their rights and duties as members of that sick fund to which they belong shall be suspended if they apply therefor; they shall have no claim to benefits of the sick fund and shall neither hold office nor vote.

PAR. 2. Their employers have to pay only their own share of the contribution to the sick fund; the share of the insured person is not paid.

ARTICLE 518.

PARAGRAPH 1. If the class from which the association recruits its members is composed principally of insured persons of the class specified in article 165, paragraph 1, Nos. 3 to 5, or of office employees, brick makers, or other insured persons, in whose occupations a frequent change of employment from one place to another is customary, the Imperial Insurance Office may, on application of this substitute fund, decree, with the right to revoke the decree, that the sick funds shall transmit to the substitute fund four-fifths of the shares of contributions paid to them according to article 517, paragraph 2, by the employers for its members.

PAR. 2. The Federal Council may specify the particulars herewith as well as in regard to the publication of the decree.

ARTICLE 519.

PARAGRAPH 1. If a person subject to insurance intends to make use of the right of article 517, paragraph 1, he shall make application to the directorate at the time of admission to the sick fund, or at the latest on the second pay day; he shall communicate to it the name and seat of the substitute fund and prove that he belongs to it.

PAR. 2. On application of a substitute fund the federal council may confer on it the right to make applications in place of the persons subject to insurance.

PAR. 3. The sick fund shall give information to the employers of the person subject to insurance, only in regard to the question whether his rights and duties are suspended but not as to which substitute fund he belongs.

ARTICLE 520.

PARAGRAPH 1. If the application has not been made at the proper time on admission to the sick fund, then it may be made not earlier than at the beginning of the next calendar quarter; it must be made to the directorate at least one month in advance; the admission to the substitute fund must also be proved to the directorate.

PAR. 2. The same is applicable to members of the sick fund who join only after admission to a substitute fund.

ARTICLE 521.

PARAGRAPH 1. The substitute fund shall send a notice of the withdrawal of a member subject to insurance who has made use of the right of article 517, paragraph 1, to the directorate of its sick fund or to the common place of registration established for it, not later than at the close of the calendar quarter; it shall also send a notice within a month at the latest of the exclusion of such a member or of his transfer to a class of membership entitled to lower benefits than those specified in article 507, paragraph 1.

PAR. 2. If the sick fund or the place of registration is unknown to the substitute fund, the notification shall be directed to the local insurance office in whose district the member was employed at the last payment of the contribution. This employment and the place where he is staying at that time shall be indicated. The local insurance office shall transmit the notification to the directorate of the proper sick funds.

ARTICLE 522.

PARAGRAPH 1. The constitution of the substitute fund shall specify which of its administrative bodies or employees shall make the notifications and the applications which have been transferred to the fund according to article 519, paragraph 2.

ARTICLE 523.

If, in the case of a member of a substitute fund, the pecuniary benefit to which he would be entitled in his sick fund is increased so that the pecuniary benefit of the substitute fund for his membership class would no longer meet the requirements of article 507, paragraph 1, then his rights and duties according to article 517, paragraph 1, shall be suspended until the close of the calendar quarter, but for not less than two weeks.

ARTICLE 524.

The obligations of insurance carriers according to article 116, and of sick-fund directorates according to article 344, are also applicable to substitute funds.

ARTICLE 525.

The local insurance office shall decide by judgment procedure in disputes between substitute funds and sick funds over the refund of benefits granted illegally (art. 224, No. 2).

SECTION ELEVEN.—FINAL PROVISIONS AND PENAL PROVISIONS.

I. FINAL PROVISIONS

ARTICLE 526.

PARAGRAPH 1. A union of communes, in the meaning of this book, is a union whose district forms the district of the fund or embraces it as the next larger union.

PAR. 2. The highest administrative authority may specify in which cases the commune is competent in place of the union of communes: *Provided*, That the district of the fund does not extend beyond that of the commune.

PAR. 3. Where no union of communes exists, the State government shall specify which is competent.

ARTICLE 527.

PARAGRAPH 1. If a local, or rural sick fund has been created for several communes (independent manor districts, or marks, or march districts),[1] which together do not

[1] Selbständige Gutsbezirke oder Gemarkungen, ausmärkische Bezirke.

form a union of communes, they shall be combined according to particular provision of the State government into a union for special purposes (*Zweckverband*).

PAR. 2. The provisions of this book as to unions of communes are also applicable to such unions for special purposes.

ARTICLE 528.

If the district of a fund extends beyond the district of a local insurance office, then the local insurance office of its seat shall be competent for it.

II. PENAL PROVISIONS.

ARTICLE 529.

PARAGRAPH 1. If an insured person violates the sickness regulations or the order of the attending physician, or neglects the notification incumbent on him according to article 190, then the directorate of the fund may impose upon him fines of not more than three times the amount of the daily pecuniary benefit for each case of contravention.

PAR. 2. The directorate of a miner's sick fund, and of a substitute fund, has the same authority as regards a member subject to insurance who violates the sickness regulation or the order of the attending physician.

PAR. 3. On appeal the local insurance office decides finally.

ARTICLE 530.

PARAGRAPH 1. Whoever in violation of his obligation does not register persons subject to insurance (arts. 317, 319, and 468, par. 2), or does not submit the lists of employees engaged in home industries (art. 473), may be fined not to exceed 300 marks [$71.40], if he acts intentionally, and not to exceed 100 marks [$23.80] if he acts negligently.

PAR. 2. Whoever violates in other ways the provisions relating to the registration of persons liable to insurance or to the submission of lists or persons engaged in home industries (arts. 317 to 319, art. 468, par. 2, and arts. 473 and 474) may be fined not to exceed 20 marks [$4.76].

PAR. 3. Whoever in violation of his obligation neglects to submit applications as required by article 519, paragraph 2, and article 522, or to make reports as required by article 521, may be fined not to exceed 20 marks [$4.76].

PAR. 4. The local insurance office shall assess these fines. On appeal the superior insurance office decides finally.

ARTICLE 531.

PARAGRAPH 1. The fund shall recover contributions which are in arrears independently of the fine.

PAR. 2. It may also require the persons fined to pay from one to five times the contributions which are in arrears. The amount shall be collected in the same manner as communal taxes. This is not applicable to persons engaged in home-working industries who violate article 468, paragraph 2.

PAR. 3. Article 396 is here correspondingly applicable.

ARTICLE 532.

PARAGRAPH 1. Employers and persons giving the order (art. 486) shall be punished with a fine of not more than 300 marks [$71.40], or be punished with arrest, unless a severer penalty is provided by other legal provisions if they intentionally do any of the following:

1. Deduct from the employees' earnings larger shares of contributions than this law permits, or make deductions in the case mentioned in article 398;
2. Violate the provisions of article 402.

PAR. 2. The same penalty shall be imposed on employers who act in contravention of the provisions of article 400.

ARTICLE 533.

PARAGRAPH 1. Employers and persons giving the order (art. 486) shall be punished with confinement in jail if they intentionally keep back from the fund entitled thereto the shares of contributions which they have deducted from their employees or have received from them.

PAR. 2. They may in addition be fined not more than 3,000 marks [$714] and be sentenced to the loss of their civic rights.

PAR. 3. If there are mitigating circumstances, then a fine only may be imposed.

ARTICLE 534.

PARAGRAPH 1. The employer may transfer the obligations which this law imposes on him to establishment managers, persons charged with supervision, or other employees of his establishment.

PAR. 2. If such representatives act in contravention of this law, the penalty shall be imposed on them. In addition, the employer is also liable to punishment, if—

1. The contravention took place with his knowledge;
2. He has not observed the necessary care in the selection and supervision of his representatives; in this case only a pecuniary fine may be imposed on the employer.

PAR. 3. One to five times the contributions which are in arrears (art. 531, par. 2) may also be assessed on the representative and collected from him. Besides the representative the employer is also liable for this amount if he has been fined according to paragraph 2.

ARTICLE 535.

The penal provisions of article 23, paragraph 2, are applicable to managing officials and employees of the funds and of the federations of funds; they are applicable to the employers in the case of establishment funds and to the persons appointed according to article 362, paragraph 1, if they intentionally commit acts which injure the fund.

ARTICLE 536.

The same penal provisions (arts. 529 to 535) are applicable—

1. To the members of the directorate, if a stock company, a mutual insurance association, a registered cooperative society, a guild, or other legal person is the employer;
2. To the business manager if a society with limited liability is the employer;
3. To all partners personally liable, as far as they are not excluded from the representation, if any other business corporation is the employer;
4. To the legal representatives of insolvent and partially insolvent employers, as well as to the liquidators of a business corporation, a mutual insurance association, a registered cooperative society, a guild, or other legal person.

BOOK THREE.—ACCIDENT INSURANCE.

PART ONE.

INDUSTRIAL ACCIDENT INSURANCE.

SECTION ONE.—SCOPE OF THE INSURANCE.

ARTICLE 537.

PARAGRAPH 1. Subject to the insurance are—

1. Mines, salt works, ore-treating works, quarries, pits (open digging);
2. Factories, shipyards, metallurgical and metal working plants, pharmacies, and if they are conducted as a business, breweries and tanneries;
3. Yards for the preparation of building materials, establishments executing work in building, decorating, stone cutting, locksmithing, blacksmithing, or plumbing (*Brunnenarbeit*); furthermore stone-breaking establishments as well as building work done by other than regular building establishments;
4. The chimney-sweeping, window-cleaning, butchering trades, and the operation of bathing establishments;
5. The entire establishment of the railroad and the postal and telegraph administrations as well as the establishments of the naval and military administrations;
6. Inland navigation, rafting, flat-boating and ferries, the hauling of ships (towing), inland fishing, fish culture, the operation of ponds and the cutting of ice, if done as a business or administered by the Empire, a State, a commune, a union of communes or other public body, dredging, as well as the keeping of vessels on inland waters;
7. Establishments engaged in hauling, express, livery, the hiring of riding animals and keeping of stables if carried on as a business, the keeping of vehicles other than water conveyances if driven by mechanical or animal power, as well as the keeping of riding animals;
8. Elevator, storage, and cellarage establishments if conducted as a business;
9. The trades of goods packer, goods loader, agent, sorter, weigher, measurer, inspector, stower;
10. Establishments for the transportation of persons or goods, and timber-felling establishments, if they are connected with a commercial undertaking which extends beyond the scope of a small-scale establishment;
11. Under the same assumption (number 10 preceding), establishments for the treatment and handling of goods.

PAR. 2. The Imperial Insurance Office decides which commercial undertakings (numbers 10 and 11) are not subject to the accident insurance on the ground that they are small-scale establishments.

ARTICLE 538.

Those establishments are considered as factories in the meaning of article 537, number 2, which—

1. Work up or work over articles as a business and for this purpose employ regularly at least 10 workmen;
2. Manufacture or work up as a business, explosives or explosive materials or produce or distribute electrical power;
3. Make use of steam boilers or of machinery moved by mechanical or animal power, provided that such use is not merely temporary;
4. Are placed in the category of factories by the Imperial Insurance Office.

ARTICLE 539.

Other establishments are also subject to the insurance if they are important parts or subsidiary establishments of the establishments described in articles 537 and 538.

ARTICLE 540.

Article 539 is not applicable—

1. To agricultural establishments which are subsidiary establishments.
   The constitution (art. 675) may also place subsidiary establishments of this kind under the industrial accident insurance if the persons employed

in them are principally persons from the main establishment. When such a provision comes into force, the subsidiary establishment is withdrawn from insurance in the agricultural accident association. The provision may only be canceled at the end of a fiscal year. Before a provision of the constitution on the membership of an agricultural subsidiary establishment is approved, the agricultural accident associations affected must be heard. If the accident associations do not come to an agreement, the Federal Council decides the matter upon application. The agreement of the agricultural accident association must in any case be secured, if the provision has not yet been in force more than three years;

2. To marine navigation establishments, and other establishments falling under articles 1046 and 1049, which are important parts of the establishments described in articles 537 and 538 and extend beyond the local traffic or are subsidiary establishments.

ARTICLE 541.

Articles 916, and 918 to 921, regulate what establishments and activities of the kind described in articles 537 and 538 as parts or subsidiary establishments of an agricultural establishment are to enter the agricultural instead of the industrial accident insurance.

ARTICLE 542.

PARAGRAPH 1. If, of several establishments which an undertaker has in the territory of the same superior insurance office, some are of the kind that belong to the industrial and some to the agricultural accident insurance, and if they do not already belong to the same accident association according to the preceding regulations, then, upon application of the employer, they are to be assigned to one accident association if altogether not more than 10 persons subject to the insurance are regularly employed in the establishments.

PAR. 2. The application is to be made to the superior insurance office, which, after a hearing of the accident associations affected, decides upon the assignment.

PAR. 3. The employer and the accident associations affected may appeal from the decision of the superior insurance office.

PAR. 4. Up to the time that the decision comes into force, the employer may withdraw the application.

PAR. 5. The assignment may be revoked only at the close of a fiscal year and as long as the grounds mentioned in paragraph 1 apply, only upon the application of the employer. If the assignment has not yet been in force for three years since the rendering of the final decision, then the revocation shall also require the consent of the accident associations affected.

ARTICLE 543.

PARAGRAPH 1. The Federal Council may exempt from the insurance establishments having no particular accident risk.

PAR. 2. The Imperial Insurance Office prepares the decision of the Federal Council; in this connection the decision senate must render an opinion.

ARTICLE 544.

PARAGRAPH 1. The following are insured against accident in establishments or activities which are subject to the insurance according to articles 537 to 542 (industrial accidents): *Provided*, That these two groups are employed in these establishments or activities:

1. Workmen, helpers, journeymen, apprentices;
2. Establishment officials whose annual earnings do not exceed 5,000 marks [$1,190] of income.

PAR. 2. Acts which have been forbidden do not exclude the assumption of an industrial accident.

ARTICLE 545.

Foremen and technical officials are also to be considered as establishment officials.

ARTICLE 546.

The insurance covers household and similar service to which insured persons, who

are principally employed in an establishment or in insured activities, are assigned by the undertaker or his representative.

ARTICLE 547.

By decision of the Federal Council the accident insurance can be extended to specified occupational diseases in industries. The Federal Council is authorized to issue special regulations for the administration thereof.

ARTICLE 548.

The constitution may extend the compulsory insurance—

1. To undertakers of establishments whose annual earnings do not exceed 3,000 marks [$714], or who regularly employ for compensation either no one or at the most two persons subject to insurance;
2. To persons engaged in home-working industries (art. 162) without regard to the number of persons subject to insurance employed, who are the undertakers of an establishment described in articles 537 and 538;
3. To establishment officials whose annual earnings exceed 5,000 marks [$1,190] of compensation.

ARTICLE 549.

PARAGRAPH 1. The directorate of the accident association may declare exempt from the insurance those undertakers who, according to the constitution, are subject to the compulsory insurance (art. 548, number 1) but are exposed to no special accident risk. The directorate shall revoke the exemption whenever the reasons therefor no longer exist.

PAR. 2. On appeal, the superior insurance office decides finally.

ARTICLE 550.

PARAGRAPH 1. Undertakers (art. 633) as well as pilots on inland waters, who conduct their business for their own account, may insure themselves against the results of industrial accidents if they do not have annual earnings of more than 3,000 marks [$714], or if they regularly employ for compensation either no one, or at the most two persons subject to insurance.

PAR. 2. The constitution may also admit them to self-insurance, if they have annual earnings of more than 3,000 marks [$714], or regularly employ for compensation at least three persons subject to insurance.

ARTICLE 551.

The provisions of article 548, Nos. 1 and 2, and of article 550, on the insurance of employers, apply also to their wives or husbands engaged in the establishment.

ARTICLE 552.

The constitution may provide under what conditions accidents of the kind described in articles 544 and 546 may be insured against:

1. By the undertaker of the establishment, on behalf of persons who are employed in the establishment, but are not insured according to articles 544, 545, and 548, No. 3;
2. By the undertaker of the establishment, or the directorate of the accident association, on behalf of persons who are not employed in the establishment but who visit the working place of the establishment or move about therein;
3. By the directorate of the accident association, the members of their official bodies, and their employees.

ARTICLE 553.

The constitution may provide that the voluntary insurance shall be out of force if the contribution has not been paid in spite of warning, and that a new application shall remain of no effect until the arrears of contributions have been paid.

ARTICLE 554.

PARAGRAPH 1. Exempt from the insurance are—

1. Army and Navy officers and surgeons to whom the officers' pension law (Reichs-Gesetzblatt, 1906, p. 565) is applicable;
2. Military persons of the lower classes to whom the noncommissioned officers' and privates' (*Mannschaft*) provision law (Reichs-Gesetzblatt, 1906, p. 593) is applicable;
3. The other persons describe by article 1 of the accident relief law for officials, etc., of June 18, 1901 (Reichs-Gesetzblatt, p. 211);
4. Officials who have been appointed at a fixed salary and with a claim to retirement pension in the establishments of the administration of a federal State, of a union of communes, or of a commune;
5. Other officials of a federal State, of a union of communes, or of a commune if relief for them has been provided according to articles 14 of the above-mentioned accident relief law.

PAR. 2. Building operations outside of a building establishment conducted as a business, as well as the keeping of riding animals or conveyances not conducted as a business (art. 537, Nos. 6 and 7), are considered as establishments in the meaning of the accident relief law.

SECTION TWO.—BENEFITS OF THE INSURANCE.

ARTICLE 555.

The object of the insurance is the compensation specified in the following provisions for the damage arising from bodily injury or death.

ARTICLE 556.

The injured person and his survivors have no claim if they have purposely brought about the accident.

ARTICLE 557.

PARAGRAPH 1. If the injured person has brought the accident upon himself by the performance of an act which according to a verdict of the court is a crime or an intentional misdemeanor, then the compensation for damages may be wholly or partly denied.

PAR. 2. Contravention of mining regulations shall not be considered a misdemeanor in the meaning of the preceding paragraph.

PAR. 3. The pension may be either wholly or partly paid to the injured person's dependents living in the Empire, if in case of his death they would have a claim to a pension. German protectorates are to be included in the Empire in the meaning of this provision.

PAR. 4. The compensation may also be denied if no verdict of a court has been rendered because of the death or the absence or of any other reason connected with the person of the injured party.

ARTICLE 558.

In case of an injury, there is to be granted from the beginning of the fourteenth week after the accident—

1. Medical treatment; it includes physician's services and the providing of medicines, other therapeutical appliances as well as the aids which are requisite to assure the success of the treatment or to alleviate the results of the injury (crutches, supporting apparatus, and the like);
2. A pension during the continuance of the disablement.

ARTICLE 559.

The amount of the pension is as follows, as long as the injured person as a result of the accident is—

1. Totally disabled, two-thirds of the annual earnings computed according to articles 563 to 570 (full pension);
2. Partially disabled, that part of the full pension which corresponds to the proportion of the loss of earning power (partial pension).

ARTICLE 560.

As long as the injured person is, as a result of the accident, so helpless that he can not exist without the services and care of others, the pension is to be correspondingly increased, though not to more than the full amount of his annual earnings.

ARTICLE 561.

PARAGRAPH 1. If the injured person at the time of the accident was already permanently and totally disabled, then only medical treatment (art. 558, No. 1) is to be granted.

PAR. 2. As long as in consequence of the accident he is so helpless that he can not exist without the services and care of others, a pension not greater than one-half of the full pension is to be granted.

ARTICLE 562.

As long as the injured person as a result of the accident is unemployed through no fault of his own, the accident association may for a time raise the partial pension to not more than a full pension.

ARTICLE 563.

PARAGRAPH 1. The pension shall be computed according to the compensation which the injured person had drawn during the last year in the establishment (annual earnings).

PAR. 2. In so far as the annual earnings exceed 1,800 marks [$428.40], the excess shall be reckoned at only one-third.

ARTICLE 564.

PARAGRAPH 1. If the injured person had been employed in the establishment a full year before the accident, the annual earnings shall be considered as 300 times the average earnings for a full working day, subject to the provisions of article 569.

PAR. 2. If it is shown that it was customary to operate for a greater or a smaller number of working days, then the multiplication shall be made with this number instead of 300.

ARTICLE 565.

If the injured person had not yet been employed in the establishment a full year before the accident, then the annual earnings shall be computed in such a manner that the number of days on which the injured person was employed in the establishment shall be multiplied by the average earnings for a full working day; for the rest of the customary number of working days of operation of the year there shall be added the average earnings which, during this time, insured persons of the same kind and earning capacity in the establishment or in a neighboring establishment have secured for a full working day.

ARTICLE 566.

If the computation according to article 565 can not be carried out, then the annual earnings shall be computed by multiplying the customary number of working days of operation in the year with the compensation which the injured person during the employment in the establishment received on an average for a full working day.

ARTICLE 567.

If the customary number of working days of operation in the year is so small that those employed in the establishment regularly perform work elsewhere for compensation in addition, then in the cases specified in articles 565 and 566, the number of working days necessary to make up the 300 shall be added to the amount computed according to articles 565 or 566, using the local wages for adults over 21 years of age which at the time of the accident have been determined for the place of employment of the injured person (arts. 149 to 152).

ARTICLE 568.

If the injured person had been employed by the hour, then the average earnings for the full working day may not be placed higher than the average earnings for a workman of the same kind who has been employed during the whole working day.

ARTICLE 569.

Articles 564 to 568 are to be correspondingly applied if the annual earnings are composed of amounts specified for not less than weekly periods.

ARTICLE 570.

If the annual earnings do not equal 300 times the local wages for adults over 21 years (art. 567), then 300 times this wage shall be considered as the annual earnings.

ARTICLE 571.

In the case of persons who, previous to the accident, were already partially and permanently disabled, that part of the local wages shall be used as a basis which corresponds to the proportion of earning capacity before the accident.

ARTICLE 572.

Articles 563 to 571 apply correspondingly to injured persons who were employed in an insured activity without belonging to an insured establishment.

ARTICLE 573.

PARAGRAPH 1. If the insured person is insured against sickness on the basis of the imperial insurance or in a miners' sick fund, he shall be granted at least the regular sick-fund benefits of medical treatment and pecuniary benefit according to article 179. However, the pecuniary benefit from the beginning of the fifth week after the accident until the expiration of the thirteenth week shall amount to at least two-thirds of the basic wage. This may not be refused, even in the case mentioned in article 192, unless the injured person has brought the accident on himself during the commission of a crime or during an intentional misdemeanor (art. 557, pars. 1 and 2). The corresponding rule applies to the house money.

PAR. 2. If an insured person receives at the same time pecuniary sick benefits from another insurance, then the reduction of the pecuniary benefit described in paragraph 1 shall be made according to article 189.

PAR. 3. For members of substitute funds the basic wage of their sick fund, while for members of miners' sick funds the basic wage as specified in article 180, shall be determinative.

PAR. 4. If the person insured against sickness becomes ill as the result of an accident while in a foreign country, then the provisions of articles 221 and 222 are applicable in a corresponding manner.

ARTICLE 574.

Those persons are to be considered as insured against sickness in the meaning of article 573 who:

1. Are exempt from the insurance according to articles 418 and 435, in so far as the sick fund has to make provision for them (art. 422);
2. On account of lack of employment have separated from the sick fund, but still have a claim on the fund (art. 214).

ARTICLE 575.

If in the case of persons subject to the agricultural sickness insurance the pecuniary sick benefit or the house money is not to be paid, or to be paid only in part because according to articles 420, 421, and 425 there are contractual benefits to be paid by the employer, or because according to article 423 the person is in receipt of a pension on the basis of the imperial insurance, then the value of such benefits is to be included in the sick relief specified in article 573 in so far as they are payable during the same time.

ARTICLE 576.

PARAGRAPH 1. Whatever must be granted by the sick funds, the miners' sick funds, or the substitute funds according to articles 573 and 575, in addition to the minimum benefits which must otherwise be provided according to the law or the constitution, must be repaid by the accident association, or in other cases by the undertaker (art. 633), whenever a compensation must be paid to the injured person beyond the thirteenth week. The constitution of the accident association can specify that the latter in all cases must reimburse the additional benefits.

PAR. 2 The same holds true in a corresponding manner if the injured person who is insured against sickness has no claim to sick benefits.

ARTICLE 577.

PARAGRAPH 1. If an injured person belongs to the group of insured persons according to articles 544 and 545, but is not insured against sickness on the basis of the imperial insurance or in a miners' fund, then the undertaker, under reservation of paragraphs 2 and 3, must grant him the sick benefits during the first 13 weeks. For the amount of the benefits and for their reimbursement articles 573 to 576 are applicable. With the consent of the injured person the undertaker can also grant care and maintenance according to article 185, paragraph 1, and for this deduct not more than one-fourth of the pecuniary sick benefit. As the basic wage for this purpose, the local wage for the place of employment (arts. 149 to 152) shall be used. These provisions shall apply in the case of establishment officials only if their annual earnings do not exceed 2,500 marks [$595].

PAR. 2. In the cases mentioned in articles 169, 418, and 435, the employer has to provide the injured person for the first 13 weeks with the benefits specified in paragraph 1. In such case that basic wage shall be used which is determinative for the sick fund. In these benefits those mentioned in articles 169, 418, and 435 shall be included. Anything in excess of this must be repaid to the employer by the accident association or by the undertaker (art. 576). The same holds true in the case mentioned in articles 170 and 171 if the claims arising out of article 169 are provided to the persons mentioned in those articles.

PAR. 3. If a domestic servant is exempt from the insurance because of other relief specified in article 440, paragraph 1, then the provisions of paragraph 2, sentences 1 to 4, apply to him in a corresponding manner, though the carrier providing the other relief takes the place of the employer. The carrier providing the other relief must claim reimbursement for the additional benefits from the undertaker if the accident association is not obliged to make the repayment.

ARTICLE 578.

The details for the carrying out of articles 573 to 577 are to be specified by the Imperial Insurance Office.

ARTICLE 579.

PARAGRAPH 1. The accident association may take over either wholly or in part the benefits to be paid by the undertaker. The latter must reimburse the association to the extent to which the injured person could claim sick benefits from him and in so far as the association itself would not be obliged to make repayment. In such case the reimbursement for sick care shall be three-eighths of the basic wage according to which the pecuniary sick benefit of the beneficiary is to be computed.

PAR. 2. This shall be correspondingly applicable if, in the cases mentioned in article 577, paragraphs 2 and 3, the employer or the carrier of other relief takes the place of the undertaker.

ARTICLE 580.

PARAGRAPH 1. If in the case of injured persons to whom articles 573 to 577 do not apply it is to be feared that they must later be provided with accident compensation, the accident association may inaugurate a course of treatment, even before the end of the thirteenth week after the accident, for the purpose of removing or alleviating the results of the injury.

PAR. 2. The accident association can place the injured person in a medical institution; in such case article 597, paragraphs 2 to 4, is applicable.

PAR. 3. With the consent of the injured person the association can grant care and maintenance as specified in article 185, paragraph 1.

PAR. 4. The injured person may claim from the accident association an appropriate recompense for the earnings he loses on account of the course of treatment.

ARTICLE 581.

PARAGRAPH 1. Within the first 13 weeks after the accident, the accident association may also have a medical examination made of the injured person even if it does not grant a course of treatment, and can also call for information concerning the treatment and the condition of the injured person from the sick fund, the miners' sick fund, the substitute fund, the physician in charge, or in the cases mentioned in article 577, from the undertaker.

PAR. 2. On application of the accident association, the local insurance office may compel the undertaker to provide this information within a specified time on penalty of fines not exceeding 100 marks [$23.80].

PAR. 3. Appeals from the determination of the fines shall be decided finally by the superior insurance office.

ARTICLE 582.

PARAGRAPH 1. If the pecuniary sick benefit ceases before the expiration of the 13 weeks, but the disability continues after the payment ceases, then the pension must be granted from the day on which the pecuniary sick benefit ceases.

PAR. 2. The constitution may also permit the payment of the pension even if after the payment of the pecuniary sick benefit ceases, a loss of earning power remains, but will apparently end before the expiration of the 13 weeks.

ARTICLE 583.

PARAGRAPH 1. If the sick fund, miners' sick fund or substitute fund has improperly stopped the payment of its benefits before the expiration of the 13 weeks, then the claim of the injured person to the pecuniary sick benefit up to the amount of the pension (art. 582) is transferred to the accident association.

PAR. 2. The same rule is applicable in the case of the benefits paid by the undertaker (art. 577).

ARTICLE 584.

If the accident association, during the time it was required according to article 558 to furnish compensation, has not provided benefits for the injured person, and if during this time, the sick fund, the miners' sick fund, or the substitute fund has granted pecuniary sick benefits or care and maintenance in a hospital according to articles 182, 184, and 185, then the injured person shall be considered as having been totally disabled during this time.

ARTICLE 585.

Controversies concerning claims for reimbursement arising out of articles 573 to 577, and article 579, shall be decided by judgment procedure (*Spruchverfahren*).

ARTICLE 586.

PARAGRAPH 1. In fatal cases there must in addition be granted—

1. As a funeral benefit, the fifteenth part of the annual earnings; however, this must not be less than 50 marks [$11.90]; article 203 is applicable in a corresponding manner;
2. A pension to the survivors from the date of the death; it consists of a fraction of the annual earnings according to the provisions of articles 588 to 595.

PAR. 2. The annual earnings shall be computed in the same manner as in the case of bodily injury; however, article 571 does not apply in this connection.

ARTICLE 587.

If because of an earlier accident this rate of annual earnings is smaller than that received by him previously, then the earlier pension is to be included in the annual earnings; in such case, however, that amount may not be exceeded which as annual earnings was used as the basis of the earlier pension.

ARTICLE 588.

If the deceased leaves a widow or children, the pension shall amount to one-fifth of the annual earnings—

For the widow up to the time of her death or remarriage;

For each child up to the completed fifteenth year of age; for an illegitimate child, however, only in so far as the deceased has provided him with maintenance according to legal obligation.

ARTICLE 589.

If the widow remarries, she receives three-fifths of the annual earnings as a settlement.

ARTICLE 590.

PARAGRAPH 1. The widow has no claim if the marriage has taken place only after the accident.

PAR. 2. The accident association may, however, under special circumstances, even then grant a widow's pension.

ARTICLE 591.

PARAGRAPH 1. The provisions concerning pensions of children shall apply also for children of a female person who is not a married woman.

PAR. 2. The same holds true for children of a married woman born before marriage, or for her children of an earlier marriage, if they do not have the legal status of lawful children of the surviving husband.

ARTICLE 592.

PARAGRAPH 1. In case a married woman is killed, who on account of the disability of the husband had supported her family either wholly or in part out of her own earnings, for the duration of the need there is to be granted a pension equal to one-fifth of the annual earnings—

To the widower up to the time of his death or remarriage;

To each child up to the completed fifteenth year of age.

PAR. 2. The widower has no claim if the marriage has taken place after the accident.

PAR. 3. If the husband of the deceased person, without legal grounds therefor has absented himself from the household and has not fulfilled his obligations of maintenance toward the children, then the accident association may grant the pension to the latter.

ARTICLE 593.

PARAGRAPH 1. If the deceased has left relatives in the ascending line whom he has supported to an important degree out of his earnings, then for the duration of the need a pension is to be granted to them, which together shall be one-fifth of the annual earnings.

PAR. 2. If there are relatives of different degree in the ascending line, then the pension shall be approved for the parents in preference to the grandparents.

ARTICLE 594.

If the deceased leaves orphan grandchildren whom he has wholly or partly supported out of his earnings, then for the duration of the need there shall be granted to them, up to the completed fifteenth year of each, a pension equal altogether to one-fifth of the annual earnings.

ARTICLE 595.

PARAGRAPH 1. The pensions of the survivors may not together exceed three-fifths of the annual earnings; in the contrary case they shall be decreased, and in the following manner: In the case of consorts or children in the same degree; relatives of the ascending line have a claim only in so far as consorts or children, and grandchildren only in so far as those named first do not exhaust the highest amount named.

PAR. 2. In case one survivor ceases to have a right to a pension, the pensions of the others are to be increased to the highest permissible amount.

ARTICLE 596.

PARAGRAPH 1. The survivors of a foreigner, if such survivors at the time of the accident do not customarily reside in Germany, have no claim to a pension.

PAR. 2. The Federal Council can exclude from this provision foreign border territories or subjects of such foreign States the legislation of which provides a corresponding relief for the survivors of Germans killed by an industrial accident.

PAR. 3. German protectorates are considered as German territory in the meaning of paragraph 1.

ARTICLE 597.

PARAGRAPH 1. In place of the benefits prescribed in article 558 the accident association may grant free medical treatment and maintenance in a medical institution (medical-institution care).

PAR. 2. If the injured person has a household of his own, or is a member of the household of his family, then his consent thereto is necessary.

PAR. 3. In the case of a minor over 16 years of age his consent is sufficient.

PAR. 4. The consent is not necessary if—

1. The nature of the injury requires treatment or care which is not possible in the family of the injured person;
2. The sickness is infectious;

3. The injured person has repeatedly acted contrary to the directions of the attending physician;
4. The condition or conduct of the injured person make continuous observation necessary.

PAR. 5. In the cases mentioned in paragraph 4, numbers 1, 2, and 4, the accident association shall, if possible, provide treatment in a medical institution.

ARTICLE 598.

If the accident association provides treatment in a medical institution after the first 13 weeks, or on account of the cessation of the pecuniary sick benefit before that time, then a pension must be granted to the relatives of the injured person in so far as it would be granted in case of his death (relative's pension). This claim is also possessed by the wife whose marriage with the injured person has taken place after the accident.

ARTICLE 599.

With the consent of the injured person the accident association may grant care and attendance by sick nurses, nursing sisters, or other nurses (house care—*Hauspflege*), especially when the placing of the injured person in a medical institution is indicated, but may not be carried out, or an important reason exists for leaving the injured person in his household or in his family.

ARTICLE 600.

PARAGRAPH 1. If the accident association assumes the payment of the benefits of the undertaker according to article 579, then in place of the sick care and of the pecuniary sick benefit, it may provide hospital care and house money according to articles 184, 186, and 577, paragraph 1; with the consent of the injured person the accident association may also grant care according to article 185, paragraph 1, but in such case shall deduct not more than one-fourth of the pecuniary sick benefit.

PAR. 2. The undertaker must reimburse the accident association to the extent to which the injured person could claim sick benefits from him and in so far as the association itself would not be obliged to make repayment. In such case the reimbursement for the sick care shall be three-eighths of the basic wage according to which the pecuniary sick benefit of the beneficiary is to be computed.

PAR. 3. The same holds true in a corresponding way if in the cases mentioned in article 577, paragraphs 2 and 3, the employer or the carrier of other relief takes the place of the undertaker.

ARTICLE 601.

Controversies concerning claims for reimbursement arising out of article 600 shall be decided in judgment procedure (*Spruchverfahren*).

ARTICLE 602.

The accident association may by its constitution grant special relief to the injured person who is placed in a medical institution (*Heilanstalt*) and to his dependents either by general rules or according to the need of the parties.

ARTICLE 603.

The accident association may at any time inaugurate a new course of treatment if it may be expected that such would increase the earning capacity of the accident pensioner.

ARTICLE 604.

In addition to the injured person, the sick fund, the miners' sick fund, or the substitute fund to which he belongs, may apply for the resumption of the medical treatment.

ARTICLE 605.

PARAGRAPH 1. If the sick funds, the miners' sick funds, the substitute funds, or the carriers of the accident insurance have placed an injured person in an institution possessing adequate arrangements for treatment, then the injured person during the course of treatment may not be placed in another institution without his consent.

PAR. 2. The local insurance office of the place where he is staying may grant the consent instead.

ARTICLE 606.

If the injured person has not complied with a regulation which affects the medical treatment without any legal or other appropriate reasons therefor, and if his earning capacity will thereby be unfavorably influenced, then his compensation may be disallowed for the time being, either wholly or partly, after this result has been pointed out to him.

ARTICLE 607.

PARAGRAPH 1. On application the directorate of the accident association may grant to the person receiving pension maintenance in a home for invalids (*Invalidenhaus*), an orphan asylum (*Waisenhaus*), or a similar institution, in place of the pension.

PAR. 2. Such institutions are considered as hospitals, homes, and sanatoria, in the meaning of article 11, paragraph 2, and of article 23, paragraph 2, of the law on relief residence (Reichs-Gesetzblatt, 1908, p. 381).

PAR. 3. So placing the receiver of a pension obligates him to a release of his pension for a period of three months, and if he does not protest within one month before the expiration of this period, to a further period of three months.

ARTICLE 608.

If an important change takes place in the conditions which were of importance in the determination of the compensation, then a new determination may be made.

ARTICLE 609.

During the first two years after the accident a new determination on account of a change in the condition of the injured person may be undertaken or demanded at any time. If, however, within this time limit a permanent pension has been legally determined, or if this time limit has expired, then a new determination may be undertaken or demanded only in periods of at least one year. These periods are not affected by the inauguration of a new course of treatment. The periods may be shortened by mutual agreement.

ARTICLE 610.

The decision, or the final decision, which decreases or withdraws the pension will become effective with the expiration of the month following its announcement.

ARTICLE 611.

The increasing or regranting of the pension may be claimed only for the time after the registry of the claim therefor.

ARTICLE 612.

PARAGRAPH 1. The cost of the medical treatment and funeral benefits are to be paid within one week after their determination, while pensions are to be paid in monthly amounts in advance. If the pension amounts to 60 marks [$14.28] or less, then it is to be paid in quarterly amounts in advance: *Provided*, That it is not probable that it will cease to be paid before the expiration of the quarter.

PAR. 2. With the consent of the person entitled to the pension the accident association may pay the same at longer intervals of time.

PAR. 3. The pension shall be rounded off in amounts of full 5 pfennigs [1.2 cents] for the month or the quarter.

ARTICLE 613.

PARAGRAPH 1. The pension shall be paid for the rest of the month in which the death occurred, in which the remarriage occurred, and in which the pension was suspended. In cases where in addition to the part of the month on account of the pension of the injured person there is also a pension of the survivors, then the latter shall have a claim to the higher amount.

PAR. 2. If the pension is to be paid for a longer period of time, the accident association may pay the pension for this period also.

ARTICLE 614.

If the person entitled to compensation has not received it at the time of his death, then the wife or husband, the children, the father, the mother, the brothers and sisters are entitled to it in order: *Provided*, That they have lived with the person entitled to the pension at the time of his death in the same household.

ARTICLE 615.

PARAGRAPH 1. The pension shall be suspended—

1. As long as the beneficiary is serving a prison term of more than one month or has been placed in a workhouse or reformatory.

   If he has dependents in Germany who in case of his death would have a claim to a pension, then the pension up to the amount of his claim shall be turned over to them.

2. So long as a person who is a German subject remains in a foreign country and neglects:

   To inform the accident association of his whereabouts;

   As an injured person, on the demand of the accident association, to present himself from time to time to the competent consul or other German authorities designated by him.

   The Imperial Insurance Office shall specify the particulars in regard to communicating and presentation.

   If the person entitled to pension proves that he has neglected to make the prescribed communication and presentation without any fault of his own, then the right to the pension shall be resumed again.

3. As long as the foreign beneficiary voluntarily resides in a foreign country;

4. As long as a foreign beneficiary is expelled from the territory of the Empire on account of a condemnation in a criminal process. The same applies to a foreign beneficiary who has been expelled from the territory of one of the federal States on account of a condemnation in a penal procedure, so long as he does not stay in another federal State.

PAR. 2. In the cases mentioned in numbers 3 and 4, the Federal Council may suspend the cessation of a pension for foreign border territories, or for the subjects of such foreign States whose legislation guarantees a corresponding relief to Germans and their survivors.

PAR. 3. If the expulsion of a foreigner entitled to a pension (par. 1, No. 4) is not directed by a condemnation, or on account of a condemnation in a penal procedure, then paragraph 1, No. 2, shall be applicable.

PAR. 4. German protectorates shall be regarded as German territory in the meaning of these provisions.

ARTICLE 616.

If the pension of an injured person amounts to one-fifth of a full pension or less, then the accident association, with his approval and after a hearing by the local insurance office, may settle upon him a capital sum corresponding to the value of his annual pension.

ARTICLE 617.

PARAGRAPH 1. A foreigner entitled to a pension who gives up his customary abode in Germany, or who resides customarily in a foreign country, can with his consent receive a settlement from the accident association equal to three times the amount of his annual pension, and without his consent may be paid a capital sum corresponding to the value of his annual pension.

PAR. 2. The Federal Council may nullify this provision for foreign border territories.

ARTICLE 618.

In cases of settlement with a corresponding capital sum (arts. 616 and 617), the Federal Council shall regulate the computation of the value of the capital sums.

ARTICLE 619.

If on a new investigation the accident association becomes convinced that the benefits were incorrectly disallowed, either wholly or partly, or have been withdrawn or suspended incorrectly, it may determine these anew.

ARTICLE 620.

The accident association does not need to demand the return of the compensation which it had to pay before a legal decision came into force.

ARTICLE 621.

With the exception of the cases mentioned in article 119, claims for compensation may be transferred, assigned, and pledged with legal effect, also on account of demands

of the sick funds, miners' associations, miners' funds, substitute funds, and insurance institutions which are entitled to reimbursement according to articles 1501, 1522, and 1528. The transfer, assignment, and execution is only permissible to the amount of the legal claims for reimbursement.

ARTICLE 622.

Claims may be reduced only by the following:
Arrears of contributions;
Advances made out of the assets of the accident association;
Compensation which was paid incorrectly;
Costs of procedure which are to be returned;
Fines which have been imposed by the directorate of the accident association;
Claims for reimbursement of the accident association according to articles 903 and 904.

SECTION THREE.—CARRIERS OF THE INSURANCE.

I. THE ACCIDENT ASSOCIATIONS AND OTHER CARRIERS OF THE INSURANCE.

ARTICLE 623.

As carriers of the insurance, the accident associations comprise the undertakers of the insured establishments (art. 633, par. 1).

ARTICLE 624.

The Empire or the federal State is the carrier of the insurance if the establishment is conducted for its account in the two cases mentioned below, which also include building work and activities in connection with the keeping of riding animals or conveyances not managed as a business (art. 537, Nos. 6 and 7). These two cases are—

1. In the case of the administration of the postal service, the telegraph service, the navy, and the army;
2. In the case of the railways.

ARTICLE 625.

PARAGRAPH 1. The Empire or the federal State is the carrier of the insurance if the establishment is conducted for its account in the case of establishments for dredging, inland navigation, rafting, flatboating, and ferrying, unless the establishments, according to article 2, paragraph 2, of the law of May 28, 1885 (Reichs-Gesetzblatt, p. 159), belong to the accident associations created for them.

PAR. 2. The later entrance of such establishments into an accident association, or the rewithdrawal, or the reentrance, in case the accident association does not agree thereto, is permissible only with the approval of the Federal Council, and in the absence of other agreement only at the close of a fiscal year.

PAR. 3. In case of rewithdrawal the Empire or the federal State must from then on satisfy the claims for compensation which exist against the accident association on account of accidents in the establishment which has withdrawn, and in this connection an appropriate portion of the reserve and of other assets of the accident association must be turned over to the Empire or to the federal State. The latter are then required to assume the payment of an appropriate part of the interest and refunding payments for the floating debt (art. 779).

PAR. 4. The accident association and the Empire or the federal State may by mutual agreement act in variance of the provisions of paragraph 3; in such cases the decision of the general meeting of the accident association is required.

PAR. 5. If controversies arise in regard to distributing the assets between the accident association and the Empire or the federal State, they may settle the question by an arbitration decision; otherwise it shall be decided by the Imperial Insurance Office (decision senate).

ARTICLE 626.

In so far as the Empire, a federal State, a public union or other corporation, has the sole right through law or treaty to engage in inland navigation on a waterway or a part thereof (towing and the like), these establishments belong to the accident association created for them.

ARTICLE 627.

PARAGRAPH 1. The Empire or the federal State is the carrier of the insurance for operations other than the building work and activities in connection with the keeping of riding animals or conveyances not conducted as a business according to article 624

(art. 537, Nos. 6 and 7): *Provided*, That these other building operations or activities are conducted for its account. This does not apply, whenever the Empire or the federal State through a declaration of the imperial chancellor or of the highest administrative officials enter into the accident association, which is the proper one for building-trades operations or for the undertakers of establishments engaged in hauling, or in inland navigation, as a business. The declaration of entrance shall also specify the date on which the entrance becomes effective.

PAR. 2. The rewithdrawal and the reentrance is permissible if the accident association does not agree thereto, only with the approval of the Federal Council, and in the absence of other agreement only at the close of a fiscal year.

PAR. 3. In the case of a rewithdrawal, article 625, paragraphs 3 to 5, is applicable in a corresponding manner.

ARTICLE 628.

PARAGRAPH 1. A commune, a union of communes, or another public corporation is the carrier of the insurance for such building work and activities in connection with the keeping of riding animals or other conveyances not conducted as a business (art. 537, Nos. 6 and 7) which it conducts as an employer in establishments other than railways: *Provided*, That the highest administrative authorities, on application, have declared the corporation able to assume the burden. Otherwise such a corporation shall be insured together with the designated operations and activities according to article 629.

PAR. 2. The highest administrative authorities may unite several communes, unions of communes, or other public corporations into a federation for the common carrying out of the insurance and declare the latter to be capable of carrying the burden.

PAR. 3. A commune, a union of communes, or another public corporation, may through a declaration of its directorate enter into the competent accident association (art. 627, par. 1). The declaration of entrance shall also specify the date on which the entrance becomes effective.

PAR. 4. If such a corporation is declared to be unable to carry the burden, then its rewithdrawal from the accident association and its reentrance, in the absence of other agreement, is permissible only at the close of a fiscal year. If it is declared capable of carrying the burden, then article 627, paragraph 2, is applicable for its rewithdrawal from the accident association and its reentrance; for its rewithdrawal article 625, paragraphs 3 to 5, is also correspondingly applicable.

ARTICLE 629.

PARAGRAPH 1. Building work which other undertakers do not carry out as a business shall be insured at the expense of the undertakers, or of the communes, or of the unions, through special institutions (branch institutes) which shall be attached to the accident associations of the building trades employers (arts. 783 to 835). The accident association is the carrier of the branch institute.

PAR. 2. In the same way branch institutes (arts. 836 to 842) shall be attached to the accident associations of the undertakers of establishments engaged in hauling and inland navigation as a business for the insurance of activities connected with the keeping of riding animals or other conveyances not conducted as a business (art. 537, Nos. 6 and 7). The Federal Council can attach the branch institutes or parts of them to other accident associations. In place of the branch institutes or parts of them, the Federal Council may create mutual insurance associations as independent insurance carriers, and in such case regulates their organization. In case the Federal Council herewith alters the status of branch institutes or of mutual insurance associations it shall regulate the transfer of the burden of accidents and of the assets.

II. COMPOSITION OF THE ACCIDENT ASSOCIATIONS.

ARTICLE 630.

PARAGRAPH 1. The accident associations shall be created according to geographical districts; they include all establishments of the branch of industry for which they were created. In the case of accident associations for railways or the establishments designated in article 537, Nos. 6 and 7, this provision may be departed from.

PAR. 2. The Federal Council may approve the uniting of the undertakers of establishments which belong to miners' associations, or to miners' funds, into miners' accident associations.

PAR. 3. Those accident associations which have been created in accordance with earlier accident insurance laws retain their former status under reservation of the changes permitted according to articles 635 to 648.

ARTICLE 631.

PARAGRAPH 1. If the establishment includes important parts of industries of different kinds, it is to be assigned to that accident association to which the principal establishment belongs. The same holds true under reservation of article 540, of subsidiary establishments, and of such insured activities which are portions of the establishment.

PAR. 2. Establishments and operations in inland navigation and rafting are included in the insurance of the principal establishment only if they do not extend beyond local traffic.

PAR. 3. Activities which according to their nature belong to the insurance of a branch institute or a mutual insurance association are to be insured in the accident association to which the undertakers engaged in activities of the same kind belong when the latter are more important than the other activities.

ARTICLE 632.

The provisions of article 542 are applicable in a corresponding manner for several establishments of the same undertaker all of which are subject to the industrial accident insurance and do not otherwise come under article 631, paragraph 1. This does not hold true for establishments engaged in inland navigation and rafting.

ARTICLE 633.

PARAGRAPH 1. The undertaker of an establishment is the one for whose account the establishment is conducted.

PAR. 2. In other cases the undertaker is—

1. In the case of building work which is not carried out by a building establishment conducted as a business, the one for whose account it is conducted;
2. In the case of the activities connected with the keeping of riding animals or conveyances not conducted as a business (art. 537, Nos. 6 and 7), whoever keeps the riding animal or conveyance.

ARTICLE 634.

PARAGRAPH 1. An accident association has in those cases to compensate accidents in insured activities in an establishment which is conducted for the account of an undertaker not belonging to it, if an undertaker belonging to it has given the order and has to make payment therefor.

PAR. 2. This applies in a corresponding way for the branch institutes.

III. CHANGES IN THE STATUS OF THE ACCIDENT ASSOCIATIONS

ARTICLE 635.

Changes in the status of the accident associations are permissible with the beginning of a fiscal year, according to articles 636 to 648.

ARTICLE 636.

Several accident associations may unite themselves by a concurrent resolution of the general meetings of the accident associations. The resolution must have the approval of the Federal Council.

ARTICLE 637.

PARAGRAPH 1. The general meetings of the accident associations affected can resolve that individual branches of industry or geographically limited parts of an accident association shall be transferred to another association. The resolution must receive the approval of the Federal Council.

PAR. 2. The approval can be withheld if the withdrawal would endanger the solvency of one of the accident associations affected.

ARTICLE 638.

If application is made on the basis of a resolution of the accident associations to have several accident associations united, or separate branches of industry or geographically limited parts, separated from the accident association and added to another, then if an accident association affected protests, the Federal Council shall decide the matter upon appeal.

ARTICLE 639.

The general meeting of the accident association decides in the first place upon an application to create a special accident association for separate branches of industry, or geographcally limited parts. The Federal Council decides finally.

ARTICLE 640.

The Imperial Insurance Office prepares the decision of the Federal Council; in such cases the decision senate must express an opinion.

ARTICLE 641.

The Federal Council may withhold its approval to the creation of a new acciden association if—

1. The number of establishments or of the necessary persons would be too small to guarantee its permanent solvency;
2. The acceptance of establishments in the accident associations is refused, which for the same reasons (No. 1) are not in a position to form a solvent accident association of their own and can not properly be assigned to another accident association.

ARTICLE 642.

If several accident associations combine to form a new accident association, then all their rights and duties are transferred to the latter as soon as the change becomes effective.

ARTICLE 643.

If parts of an accident association are separated to form another or to be joined to another, then the other accident association from that time on must satisfy the claims for compensation which had grown up against the old accident association on account of accidents in the establishments which have been separated. The same is also applicable if agricultural subsidiary establishments are transferred to an industrial accident association according to the constitution (art. 540, No. 1).

ARTICLE 644.

Accident associations upon which are placed the obligation of compensation have a claim to a corresponding part of the reserve and of the other assets of the accident association released from these obligations. They are required to assume the payment of a corresponding part of the interest and of the amounts necessary for the refunding of the floating debt (art. 779).

ARTICLE 645.

The general meetings of the accident associations affected may act in variance with the provisions of articles 642 to 644 through concurrent resolution.

ARTICLE 646.

If a dispute arises during the negotiations in regard to the division of the assets between the accident associations affected, they may settle the matter by an arbitration decision; otherwise the Imperial Insurance Office (decision senate) shall decide.

ARTICLE 647.

PARAGRAPH 1. If an accident association becomes unable to fulfill its legal obligations, the Federal Council may dissolve the same if the Imperial Insurance Office (decision senate) makes application therefor.

PAR. 2. The branches of industry of a dissolved accident association shall be apportioned to other accident associations. The latter are to be heard in advance.

PAR. 3. On the dissolution of an accident association its rights and duties are assumed by the Empire.

ARTICLE 648.

If an accident association which is subject to the supervision of a State insurance office (art. 723) is dissolved as insolvent, then its rights and obligations are to be assumed by the federal State.

SECTION FOUR—ORGANIZATION OF THE ACCIDENT ASSOCIATIONS.

I. MEMBERSHIP AND THE RIGHT TO VOTE.

ARTICLE 649.

Each undertaker is a member of an accident association whose establishment belongs to the branches of industry covered by it and in whose territory the establishment has its seat. The Empire, the federal States, communes, unions of communes, and other public corporations are members in so far as articles 624 to 628 do not prescribe otherwise.

ARTICLE 650.

Membership begins with the opening of an establishment or with the placing of it under the insurance obligation; for the Empire and the federal States, for communes, unions of communes, and other public corporations, the beginning of the membership is regulated according to articles 625 to 628.

ARTICLE 651.

PARAGRAPH 1. In each establishment the undertaker must make known through a placard—

1. To which accident association and section the establishment belongs;
2. Where the place of business of the directorate of the accident association and of the section is located.

PAR. 2. If an agricultural establishment is placed under the industrial accident insurance according to article 540, number 1, and article 542, the placard must call attention thereto.

ARTICLE 652.

If members or their legal representatives do not possess civic rights, they shall not have the right to vote.

II. REGISTRATION OF THE ESTABLISHMENTS.

ARTICLE 653.

PARAGRAPH 1. Whoever with an establishment becomes a member of an accident association, must within one week report to the local insurance office in whose district the establishment has its seat the following:

1. The kind of the establishment and the object of the establishment;
2. The number of insured persons;
3. The accident association to which the establishment belongs;
4. If the establishment is first opened after the law comes into force, the date of opening and if the establishment becomes subject to the insurance only after the law enters into force, the day when insurance obligation begins.

PAR. 2. The report is to be sent in duplicate; the receipt thereof will be acknowledged.

PAR. 3. If an establishment has already been reported and when a change in the person only of the undertaker of the establishment has occurred, then a repetition of the report according to paragraph 1 is not required.

ARTICLE 654.

The local insurance office assigns each establishment in its territory concerning which a report has been received, within one week by sending one of the reports to the directorate of the accident association designated therein.

ARTICLE 655.

If in the opinion of the local insurance office the establishment belongs to an accident association other than that designated, it shall notify the directorate of the latter accident association as well as the undertaker and shall transmit the reports to the directorate of the other accident association.

ARTICLE 656.

PARAGRAPH 1. If the report is not sent in or is incomplete, the local insurance office can require the undertaker to give the information within a specified time under penalty of a fine up to 100 marks [$23.80].

PAR. 2. On appeal against the determination of the fine the superior insurance office decides finally.

PAR. 3. The local insurance office assigns the establishment within one week after the expiration of the specified time limit by furnishing the information itself (art. 653, par. 1).

III. REGISTER OF ESTABLISHMENTS.

ARTICLE 657.

The directorates of the accident associations must keep registers of establishments on the basis of the reports sent to them by the Imperial Insurance Office and of the later assignments (arts. 654 and 656).

ARTICLE 658.

The members shall be listed in the register of establishments after it has been ascertained that they have joined the proper association.

ARTICLE 659.

PARAGRAPH 1. Membership certificates shall be sent to the members listed in the register of establishments, by the directorate of the accident association. If the accident association is divided into sections, the membership certificate must designate the section to which the undertaker belongs.

PAR. 2. If acceptance in the register is declined, a decision with the grounds therefore must be transmitted to the head of the establishment through the intervention of the local insurance office.

ARTICLE 660.

Within one month after the delivery of the membership certificate or of the decision declining membership, appeal against the acceptance or the disallowance must be made by the undertaker to the superior insurance office. The appeal is to be transmitted to the local insurance office. If in proceedings on the appeal it is shown that although the establishment is subject to the accident insurance it still does not belong to any of the existing accident associations, then the matter is to be laid before the Imperial Insurance Office. The latter shall assign the establishment to that accident association to which according to its nature it is most nearly allied.

ARTICLE 661.

If the undertaker does not make an appeal against a decision declining membership within the proper time, the local insurance office may lay the matter before the Imperial Insurance Office; upon application of the accident association such action must be taken.

ARTICLE 662.

If in the case mentioned in article 655 the directorate of the accident association designated in the notification accepts the membership of the undertaker, then the directorate of this association shall notify the directorate of the other accident association. The latter can within one month after the receipt of the communication make an appeal.

ARTICLE 663.

Extracts from the register of establishments are to be communicated to the directorates of the sections in regard to the undertakers belonging thereto.

IV. CHANGES IN THE UNDERTAKERS—CHANGES IN THE ESTABLISHMENT AND IN ITS MEMBERSHIP IN THE ACCIDENT ASSOCIATION.

ARTICLE 664.

Within the time specified in the constitution the undertaker must report changes in the person for whose account the establishment is conducted to the directorate of the accident association for entry in the registry of establishments. He remains liable for the contributions up to the end of the fiscal year during which the change is reported without, however, releasing his successor from the liability.

ARTICLE 665.

The undertaker must report changes in his establishment which are of importance for his membership in the accident association to the directorate within the time specified in the constitution.

ARTICLE 666.

If upon application of the undertaker or if on its own accord the directorate believes it necessary to refer the establishment to another accident association, then it shall refer the establishment to the latter and communicate this fact to the association and through the local insurance office to the undertaker with a statement of the reasons therefor.

ARTICLE 667.

PARAGRAPH 1. The head of the establishment and the directorate of the other accident association may make protest against the assignment to the directorate which has so assigned the establishment; the last-named directorate shall lay the protest before the superior insurance office.

PAR. 2. If protest is not made within the proper time, then the establishment shall be reinscribed in the register and another membership certificate shall be made out or the undertaker.

ARTICLE 668.

If an accident association demands the assignment of an establishment and the undertaker or the accident association to which the establishment has hitherto belonged objects to the transfer, then the directorate of this accident association shall lay the matter before the superior insurance office for decision.

ARTICLE 669.

If the undertaker makes claim for the change in the registry of his establishment, then in case of objection on part of both accident associations he may make application for a decision to the superior insurance office.

ARTICLE 670.

The provisions of articles 666 and 667 for the assignment of an establishment apply correspondingly in regard to its release from membership.

ARTICLE 671.

PARAGRAPH 1. If the application for the transfer or release of membership has been granted, then the change in the membership in the accident association shall become effective on the date on which the application has first been received by one of the directorates of the accident associations affected. If the establishment has been transferred or released from membership by the action of the officials, then that date shall be used on which the transfer or the release from membership has been communicated to the undertaker.

PAR. 2. The directorates affected and the undertaker may agree upon another date.

ARTICLE 672.

If the transfer or release from membership is delayed to an important extent because the legal or constitutional provisions have not been observed, then upon application the superior insurance office may decide that the change in the membership of the accident association shall become effective on a date earlier than that specified in article 671, paragraph 1, however, not earlier than the beginning of the fiscal year during which the claim for contributions has not yet lapsed.

ARTICLE 673.

PARAGRAPH 1. If single establishments or subsidiary establishments go from one accident association to another, then article 643 applies in regard to the transfer of the accident burden.

PAR. 2. The accident association taking over an establishment has a claim to a corresponding part of the reserve of the accident association released. This part is to be computed according to an average rate which the Imperial Insurance Office shall

determine every five years, separately for industrial and agricultural associations, according to the amount of the reserves of all the accident associations.

PAR. 3. Articles 645 and 646 are to be applied here.

ARTICLE 674.

PARAGRAPH 1. The obligation to make reports in case of changes in an establishment which affect the apportionment in the risk tariff (art. 711) and further procedure are to be regulated in the constitution.

PAR. 2. If the committee or the directorate of the accident association has to draw up and change the risk tariff (art. 707), then the general meeting of the accident association may also transfer to this body the regulation of the obligation to give notice in case of these changes in the establishment.

PAR. 3. The undertaker may appeal against the decision which the accident association issues upon the notification of the changes or in acting on its own initiative.

V. CONSTITUTION.

ARTICLE 675.

The accident associations regulate their internal administration and their order of business through a constitution which the general meeting of the accident association decides upon.

ARTICLE 676.

PARAGRAPH 1. The preliminary directorate elected by the general meeting for the purpose of establishing the organization shall conduct the general meeting and manage the business of the accident association until the directorate elected on the basis of a valid constitution shall take over the business.

PAR. 2. The preliminary directorate shall consist of a chairman, a secretary, and at least three associates.

ARTICLE 677.

The constitution must specify—

1. The name, the seat, and the district of the accident association;
2. The composition, rights, and duties of the directorate;
3. The form of the declarations of the decisions of the directorate as well as its signature on behalf of the accident association, the manner of making decisions in the directorate, and its representation as to third parties;
4. The calling of the general meeting of the accident association and its method of arriving at a decision;
5. The right to vote of the members and the examination of their credentials;
6. The rates for loss of earnings and for traveling expenses which are to be granted to the representatives of the insured persons (art. 21);
7. The representation of the accident association as against the directorate;
8. The procedure to be followed by the administrative bodies of the accident association in rating establishments in classes of the risk tariff;
9. The procedure in cases of changes in the establishment and of a change in the person of the undertaker;
10. The consequences of shutting down an establishment or of a change in the person of the undertaker, especially as to the guaranteeing of his contributions, if he shuts down the establishment;
11. The drawing up, examining, and acceptance of the annual balance sheet;
12. The administrative action relating to the issuance of the regulations containing provisions for accident prevention and for the supervision of the establishments;
13. The procedure in case of the reporting and release from membership of insured undertakers, of pilots and of other persons insured according to article 548, number 3, and article 552, as well as concerning the amount and ascertainment of the annual earnings of undertakers and of pilots;
14. The method of publishing notices;
15. The provisions as to the amendment of the constitution.

ARTICLE 678.

The constitution may specify—

1. That the general meeting of the accident association shall be composed of delegates;
2. That the accident association shall be divided into local sections;
3. That special district agents shall be appointed as local officials of the accident association.

ARTICLE 679.

PARAGRAPH 1. If the constitution specifies the above, it must at the same time specify—

The election of the delegates;

The seat and the district of the sections;

The composition and calling of the general meetings of the sections and the manner of forming decisions;

The composition, rights, and duties of the directorates of the sections, the election, the districts, and the rights and duties of the special officials and their substitutes.

PAR. 2. The general meeting of the accident association may delegate the delimitation of the districts, and the election of the district agents and their substitutes, to the directorate of the accident association or of the section and may delegate the election of the directorates of the sections to the general meetings of the sections.

ARTICLE 680.

The constitution may empower the directorate of the accident association to impose fines up to 25 marks [$5.95] upon undertakers and persons holding equal positions according to article 912 who act contrary to their duties as stated in the constitution.

ARTICLE 681.

The constitution requires the approval of the Imperial Insurance Office. If the approval is to be denied, then the decision senate shall decide the matter; the reasons for the disapproval are to be stated. If the approval is not given, then on appeal the Federal Council shall decide.

ARTICLE 682.

If the approval has been finally denied, then within a time specified by the Imperial Insurance Office the general meeting of the accident association shall decide upon a new constitution. If no decision is made or if the new constitution is also finally disapproved, then the Imperial Insurance Office shall issue the constitution and direct that the necessary steps for its execution shall be taken at the expense of the accident association.

ARTICLE 683.

The constitution may be amended only with the approval of the Imperial Insurance Office. If such approval is to be denied, then the decision senate shall decide; the reasons for the disapproval are to be stated. If the approval is denied, then upon appeal the Federal Council shall decide the matter.

ARTICLE 684.

PARAGRAPH 1. If the constitution has been approved, then the directorate of the accident association shall publish the name and seat of the accident association and the districts of the sections in the Reichsanzeiger.

PAR. 2. The same rule is applicable in the case of amendments.

VI. ADMINISTRATIVE BODIES OF THE ACCIDENT ASSOCIATION.

ARTICLE 685.

The board of directors shall administer the accident association in so far as the law or the constitution do not provide otherwise.

ARTICLE 686.

The following matters remain within the power of the general meeting of the accident association:

1. The election of the members of the directorate;
2. The amendment of the constitution;
3. The examination and acceptance of the annual balance sheet, if the general meeting of the accident association has not appointed a special committee for this purpose;
4. The specification of the amount of the lump sums for loss of time and the rates for travel expenses for the members of the official bodies of the accident association.

ARTICLE 687.

PARAGRAPH 1. Subject to the reservations of articles 13 and 14, whoever belongs to an accident association as a member, or holds a place equal to a member (art. 13, par. 2), may be elected to the directorate or as a district agent of the accident association, or as a delegate in the general meeting of the accident association (art. 678, No. 1).

PAR. 2. Those members of a guild, or of the supervisory council of a stock company, of a copartnership with shares (*Kommanditgesellschaft auf Aktien,*) or of a company with limited liability belonging to an accident association, are eligible as members of the directorate who have been at least for five years the undertaker or the duly authorized manager of an establishment belonging to an accident association.

PAR. 3. If branches of industry of various kinds or various kinds of establishments (such as large, medium, and small establishments) are combined in one accident association, then they shall as far as possible be represented in the directorate. The constitution shall specify the particulars.

PAR. 4. The constitution of an accident association may provide that the delegates of the insured persons may belong to its directorate, or if the accident association is divided into sections, to the directorates of the sections, and that they shall have the right to vote. The mining accident association may provide in its constitution that the delegates of the insured persons must be elders of a miners' fund. Their election shall be made through the delegates elected according to article 858; article 859 is applicable in regard to their eligibility.

ARTICLE 688.

The members of the accident associations may have themselves represented in the general meeting of the accident association through other members possessing the right to vote or through a duly authorized manager of their establishment.

ARTICLE 689.

As long as and in so far as the election of the legally authorized official bodies of the accident association does not take place, or the legally authorized official bodies refuse to perform their duties, the Imperial Insurance Office shall either itself or through agents conduct the business at the cost of the accident association.

VII. EMPLOYEES OF ASSOCIATIONS.

ARTICLE 690.

PARAGRAPH 1. The general meeting of the accident association shall regulate in appropriate manner the general conditions of appointment and the legal status of the employees of the accident association through service regulations.

PAR. 2. Employees who are employed only on probation, for temporary services, for preparation, or only in a subsidiary manner without compensation, are only subject to the service regulations in so far as the latter provide.

ARTICLE 691.

The principles stated in articles 692 to 699 shall control in the matter of the service regulations.

ARTICLE 692.

Appointments are to be made through written contracts.

ARTICLE 693.

PARAGRAPH 1. The right of the accident association to give notice of dismissal may not place the employee less favorably than he would be in the absence of an agreement under the civil law.

PAR. 2. An employee entitled to notice before dismissal may be discharged without such notice if an important reason exists therefor. In the case of employees who may be dismissed with notice who have been employed longer than 10 years, the notice of dismissal may be given only for an important reason. In the latter case it shall also be considered as an important reason if the employee, because of a change in the status of the accident association or in its business administration, can be spared, not merely temporarily; in such cases the employees with the shorter service term of that employee class in which the change is necessary shall first be given notice of dismissal.

ARTICLE 694.

An appointment for life is permissible in so far as the service regulations provide therefor. The latter must then also regulate the conditions for life appointments as well as the legal status of such employees.

ARTICLE 695.

The service regulations must specify the salaries which are to be paid as a minimum for the separate classes of the employees, with the exception of those specified in article 690, paragraph 2, as well as the basis for an increase in salary. The regulations shall at the same time specify how long the salary shall continue to be paid if the employee, without any fault of his own, is prevented from rendering services.

ARTICLE 696.

Employees who abuse their positions in the service or their official business for the purpose of religious or political activity shall be reprimanded by the directorate, after an opportunity has been given to defend themselves, and in case of repetition shall be dismissed; their dismissal shall require the approval of the Imperial Insurance Office. Religious or political activity outside of their official activities, and the exercise of the right of association in so far as it does not conflict with the laws, shall not be prevented and shall not be considered as a reason either for notice of dismissal or for discharge.

ARTICLE 697.

If the service regulations grant a right to retirement pension or to benefits for survivors, then the regulations shall specify the conditions for the granting thereof.

ARTICLE 698.

PARAGRAPH 1. Appointments may be intrusted only to the business directors for the persons designated in article 690, paragraph 2. The chairman of the directorate must then within a time specified in the service regulations, but of not more than six months, determine as to further employment according to article 690, paragraph 2. For such persons he shall also specify the conditions both of notice of dismissal and of discharge.

PAR. 2. In addition the directorate shall decide in regard to the appointment, the notice of dismissal and discharge, as well as upon the apportionment to one of the classes of employees, the increase in salary, and the granting and disallowance of retirement pension and benefits for survivors.

ARTICLE 699.

The service regulations shall specify the authorities competent for the imposition of penalties and the legal remedies against them. Fines may not be imposed for amounts higher than the service income of one month.

ARTICLE 700.

PARAGRAPH 1. Before formulating the service regulations the directorate shall give the adult employees a hearing.

PAR. 2. The service regulations require the approval of the Imperial Insurance Office.

PAR. 3. If this approval is not given and if within the specified time other service regulations are not drawn up or are not approved, then the Imperial Insurance Office shall issue the service regulations.

PAR. 4. The same holds true for amendments.

ARTICLE 701.

PARAGRAPH 1. Decisions of the directorate of the accident association or of the general meeting of the accident association which conflict with the service regulations must be challenged by the chairman of the directorate in the form of an appeal to the Imperial Insurance Office; the appeal acts as a stay.

PAR. 2. If a provision of the contract of appointment conflicts with the service regulations it shall be void.

ARTICLE 702.

No provision shall be made granting preference in the filling of vacancies to persons in possession of a certificate entitling the holder to a civil-service position (soldiers entitled to civil employment).

ARTICLE 703.

PARAGRAPH 1. The directorate may on their own responsibility transfer specified duties to salaried business managers.

PAR. 2. The Imperial Insurance Office shall specify the details in such cases.

ARTICLE 704.

The salaries of the employees shall be determined by the directorate in detail in the budget.

ARTICLE 705.

PARAGRAPH 1. In controversies connected with the conditions of service of employees who are subject to the service regulations, the Imperial Insurance Office (decision senate) shall decide upon appeal if the matter relates to notice of dismissal, discharge, fines of more than 20 marks [$4.76], or pecuniary claims.

PAR. 2. Pecuniary claims are subject to the following special provisions:

PAR. 3. Appeal to law is permissible. Suit may only be brought within one month after the decision of the Imperial Insurance Office has been made; the time limit is a peremptory time limit in the meaning of article 223, paragraph 3, of the Code of Civil Procedure;

PAR. 4. The regular courts shall be required to follow the decisions of the Imperial Insurance Office on the question whether, the period of notice of dismissal having been observed, a notice of dismissal may be given for an important reason (art. 693, par. 2, sentences 2 and 3);

PAR. 5. In questions concerning the determination of fines, an appeal to the regular courts is not permissible;

PAR. 6. On the basis of valid decisions of the insurance authorities, executions shall be made according to book 8 of the Code of Civil Procedure.

VIII. FORMATION OF THE RISK CLASSES.

ARTICLE 706.

The general meeting of the accident association must form risk classes according to the degree of risk of accident for the establishments belonging to the accident association in the form of a risk tariff and grade the amount of the contributions thereon.

ARTICLE 707.

The general meeting may authorize a committee or the directorate to draw up and amend the risk tariff.

ARTICLE 708.

PARAGRAPH 1. The risk tariff must be reexamined after not more than two fiscal years at first, and thereafter at least for every five-year period with respect to the accidents which have occurred.

PAR. 2. If the amendment of the tariff is not intrusted to the directorate, the latter must place before the competent official bodies of the accident association the result of the reexamination, together with a list of the accidents entitled to compensation arranged according to branches of industry. These officials must decide whether the risk tariff is to be retained or is to be amended.

ARTICLE 709.

The risk tariff and every amendment thereto shall require the approval of the Imperial Insurance Office, to which the list of accidents shall be submitted in the case mentioned in article 708.

ARTICLE 710.

If the competent official bodies of the accident association do not draw up the risk tariff within the time specified to them or if the tariff is not approved, then the Imperial Insurance Office itself shall draw up the tariff after a hearing of the official bodies of the accident association.

ARTICLE 711.

PARAGRAPH 1. The accident association assigns the establishments in the risk classes for the duration of the tariff according to provisions of the constitution.

PAR. 2. After the classification of the establishments the accident association may reclassify an establishment for the period of the tariff, if the statements of the undertaker were incorrect or if a change has taken place in the establishment.

PAR. 3. The undertaker has the right of appeal against the classification.

ARTICLE 712.

PARAGRAPH 1. The general meeting of the accident association may impose supplementary charges or grant rebates for the coming tariff period or a part thereof to heads of establishments in accordance with the accidents which have occurred in their establishments.

PAR. 2. The employer has the right of appeal against the determination of supplementary charges.

IX. DIVISION AND JOINT CARRYING OF THE BURDEN.

ARTICLE 713.

PARAGRAPH 1. The constitution may provide that the sections shall bear the compensation for accidents which occurred in their districts up to three-fourths, and in the case of the mining accident association a proportion in excess thereof.

PAR. 2. The amounts which thereby become a burden to the sections are to be assessed upon their members according to the risk class and the amount of their contribution.

ARTICLE 714.

PARAGRAPH 1. Accident associations may make an agreement to carry in common either the whole or a part of the burden of compensation.

PAR. 2. In such case it must be specified how the common burden is to be distributed upon the accident associations affected.

ARTICLE 715.

The agreement shall require the consent of the general meetings of the accident associations affected and the approval of the Imperial Insurance Office. It may become effective only with the beginning of a fiscal year.

ARTICLE 716.

PARAGRAPH 1. The general meeting of the accident association shall decide how the share of the accident association in the common burden shall be distributed upon the individual members.

PAR. 2. If not otherwise provided, it shall be assessed in the same manner as the amounts paid for compensation which the accident association according to this law is required to pay.

X. ADMINISTRATION OF THE ASSETS.

ARTICLE 717.

The Imperial Insurance Office may publish regulations in regard to the safe-keeping of the securities.

ARTICLE 718.

PARAGRAPH 1. The accident association must invest not less than one-fourth of its assets in bonds of the Empire or of the federal States.

PAR. 2. The association may invest not more than one-half of its assets in a manner otherwise than prescribed in articles 26 and 27. For this purpose it shall obtain the approval of the Imperial Insurance Office.

PAR. 3. If an accident association desires to invest more than one-fourth of their assets according to paragraph 2 it must in addition have for this purpose the approval of the Federal Council, or if the association is subject to the State insurance office, it must have the approval of the highest administrative authorties of the federal State.

ARTICLE 719.

PARAGRAPH 1. Such an investment (art. 718, pars. 2 and 3) is permissible only in securities; in other ways only for administrative purposes, only for the avoidance of loss of assets, or for undertakings which—

1. Are for the benefit either exclusively or principally of the persons subject to the insurance;
2. Or in so far as they promote the personal credit of the members of the accident association in the way of cooperation.

PAR. 2. The Imperial Insurance Office shall specify the particulars for the cases mentioned in paragraph 1, No. 2.

ARTICLE 720.

PARAGRAPH 1. Approval is required for—

The purchase of pieces of ground valued at more than 5,000 marks [$1,190];
The erection of buildings valued at more than 10,000 marks [$2,380];
The purchase of necessary articles of furniture the total value of which is more than 5,000 marks [$1,190].

PAR. 2. The approval is not needed for the purchase of pieces of ground on which the accident association has made loans in the case of compulsory sale.

ARTICLE 721.

The accident associations must make reports to the Imperial Insurance Office according to the regulations of the latter, in regard to their business and finances. The Imperial Insurance Office shall each year draw up a report concerning the total financial operations of the preceding fiscal year. This report is to be laid before the Reichstag.

SECTION FIVE—SUPERVISION.

ARTICLE 722.

The Imperial Insurance Office shall exercise supervision of the accident associations.

ARTICLE 723.

If a State insurance office is created for a federal State, it shall exercise supervision of the accident associations which do not extend beyond its territory.

ARTICLE 724.

For these accident associations, the State insurance office shall take the place of the Imperial Insurance Office in matters concerning—

Controversies concerning the apportioning of several establishments to one accident association according to articles 542 and 632;
Controversies between an accident association and a public corporation in case of negotiations in regard to the distribution of assets mentioned in article 625, paragraph 5, and the corresponding provisions of article 627, paragraph 3, and of article 628, paragraph 4;
Changes in the status of accident associations (arts. 635 to 648);
Acceptance in the register of establishments (arts. 660 and 661);
Changes in the membership of an establishment in the accident association in the case mentioned in article 673, paragraphs 1 and 3;
Approval and drawing up of the constitution (arts. 681 to 683);
Taking over the business of the accident association (art. 689);
Service regulations for the employees of the accident association (arts. 690 to 702), as well as controversies arising out of their service relations (art. 705);
Risk tariffs (arts. 706 to 712);
Joint carrying of the burden of compensation (art. 715);
Administration of the assets of the accident associations in the cases mentioned in articles 717 to 720, but excluding article 719, paragraph 2;
The collection of contributions and premiums (art. 736, pars. 2 and 3), as well as as the building up of the reserve (arts. 741 to 747);
Guarantees of one having building work done (art. 773);
Covering of the claims of the Postoffice Department (arts. 781 and 782);
Branch institutes and insurance associations (arts. 783 to 842) but excluding the cases mentioned in articles 799 and 839;
Additional institutions of the accident associations (arts. 845 to 847);
Accident prevention and supervision (arts. 848 to 891), but excluding the cases mentioned in article 883;
Reporting the names of the administrative officials (art. 893).

ARTICLE 725.

PARAGRAPH 1. If the matter concerns the cases mentioned herewith, the Imperial Insurance Office decides whether an accident association which is subject to another State insurance office or to the Imperial Insurance Office, is affected. The State insurance office then forwards the documents to the Imperial Insurance Office. These cases are the following:

Controversies relating to the assignment of several establishments to one accident association according to articles 542 and 632;

Changes in the status of the accident associations in the cases mentioned in articles 640 and 646;

Acceptance in the register of establishments (arts. 660 and 661);

Changes in the membership of an establishment in the accident association in the case mentioned in article 673, paragraphs 1 and 3;

Joint carrying of the burden of compensation (art. 715).

PAR. 2. If the matter relates to common additional institutions of several accident associations (art. 847), then the Imperial Insurance Office remains the competent authority for these additional institutions provided that all of the accident associations affected are not subject to the same State insurance office.

SECTION SIX.—PAYMENT OF THE COMPENSATION—RAISING THE FUNDS.

I. PAYMENTS THROUGH THE POST OFFICE DEPARTMENT.

ARTICLE 726.

PARAGRAPH 1. The accident association shall pay the compensation upon notification of the directorate of the accident association through the Post Office Department, and furthermore through that post office in whose district the beneficiary resides.

PAR. 2. The payee shall be notified of the paying office by the directorate.

PAR. 3. If the payee removes his residence, he may make application either to the directorate or to the post office of his old place of residence to have the payments changed to his new place of residence.

ARTICLE 727.

Every person who is entitled to keep a public seal is authorized to give out and to attest the requisite certificates in such payments.

ARTICLE 728.

The highest postal authorities may collect from each accident association an advance sum. According to the choice of the accident association it shall be transmitted either quarterly or monthly to the office designated by the Post Office Department, and may not be greater than that amount which the accident association will probably have to pay in the current fiscal year.

ARTICLE 729.

The Imperial Insurance Office may specify in what manner payments are to be made to payees who customarily reside in a foreign country.

ARTICLE 730.

The mining accident association may specify through its constitution that miners' associations or miners' funds shall pay the compensation instead of the Post Office Department.

II. RAISING THE FUNDS.

ARTICLE 731.

PARAGRAPH 1. The accident associations must collect the means for their expenditures in the form of members' contributions, which shall cover the needs of the preceding fiscal year.

PAR. 2. In the case of the engineering and excavating association (*Tiefbau-Berufsgenossenschaft*) the contributions must, in addition to other expenditures, cover the capitalized value of the pensions which have become a liability of the accident association in the preceding fiscal year. The principles for the obtaining of the capitalized values are to be determined by the Imperial Insurance Office.

PAR. 3. In the case of the branch institutes for building work fixed premiums as well as contributions are to be collected from the communes and other unions, and in the case of branch institutes and insurance associations for the keeping of riding animals or conveyances fixed premiums are to be collected (arts. 783 to 842).

ARTICLE 732.

PARAGRAPH 1. The members' contributions are to be assessed, first, according to the earnings received by the insured persons in the establishments, though the local wage rate for adults over 21 years of age must be the minimum, and, second, according to the risk tariff.

PAR. 2. If the earnings received during the contribution period exceed an annual amount of 1,800 marks [$428.40], then only one-third of the excess shall be included in the computation.

ARTICLE 733.

The constitution may provide that in the assessment of the contributions the earnings actually received shall be used in the computation.

ARTICLE 734.

In the case of establishments which regularly employ not more than five insured persons, the constitution may provide that with the consent of the undertaker a lump sum shall be paid instead of the computed individual earnings, or that uniform contributions shall be paid according to a standard specified by it; the constitution shall also specify the principles to be used in these cases.

ARTICLE 735.

The constitution may provide that in the case of a person giving orders to a home worker, he shall pay the contributions of those employed in home work by the home worker, and if the latter himself is insured according to the constitution, the person giving orders shall also pay for him.

ARTICLE 736.

PARAGRAPH 1. Contributions may not be collected from members nor shall funds from the property of the accident association be employed for purposes other than—

For covering the cost of the compensation and the cost of administration;
For the accumulation of a reserve (arts. 741 to 748);
For the payment of the advances to the post office (art. 728) and for the refunding and interest of the floating debt (art. 779);
For rewards in the case of rescuing injured persons;
For accident prevention;
For securing employment for persons injured by accident;
For the establishment of medical or convalescent institutions;
For the establishment of institutions of the kind specified in article 607.

PAR. 2. If according to article 720 the approval of the Imperial Insurance Office is required for the purposes therein designated, such approval is also required for the collection of contributions for such purposes.

PAR. 3. These provisions are correspondingly applicable to insurance associations (*Versicherungsgenossenschaften*).

ARTICLE 737.

PARAGRAPH 1. Newly created accident associations may collect in advance from its members for the first year the funds which are necessary to defray the cost of administration and to pay the post-office advance.

PAR. 2. If the constitution does not provide otherwise, these contributions shall be based on the number of persons subject to the insurance who are employed in the establishments of the members.

ARTICLE 738.

PARAGRAPH 1. The constitution may provide that the members shall pay advances on the contributions (art. 731).

PAR. 2. The constitution may provide that the directorate shall be entitled to collect advances from—

(a) Establishments which apparently will exist only temporarily;
(b) Individual members who have been repeatedly in arrears in the payment of the contributions.

PAR. 3. The advances shall be collected from the individual members according to the amount of those contributions which were assessed upon them for the preceding fiscal year or were paid according to article 734.

PAR. 4. The advances of new members are to be based on the amount which they would have had to pay as members, according to the scope of their establishment, for the cost of the preceding fiscal year.

PAR. 5. The constitution or the general meeting of the accident association shall specify the date of payment; two weeks thereafter the advance must have been paid to the directorate.

ARTICLE 739.

If the highest postal officials make use of their right to collect advances (art. 728)' the constitution may provide that the requisite funds, in so far as they are not available out of the assessment for the preceding fiscal year (art. 749), are to be collected from the members of the current fiscal year through contributions (art. 731).

ARTICLE 740.

PARAGRAPH 1. The directorate may collect from the undertakers of establishments whose seat is located in a foreign country, contributions of double amount and require them to give security if they carry on in Germany an establishment subject to the insurance for a time only.

PAR. 2. This provision is correspondingly applicable to branch institutes and insurance associations for the keeping of riding animals or conveyances.

ARTICLE 741.

The accident associations must accumulate reserves.

ARTICLE 742.

PARAGRAPH 1. The reserve shall be formed by means of supplementary charges reckoned on the amounts paid out as compensation.

PAR. 2. There shall be collected—

In the first assessment, 300 per cent;
In the second, 200 per cent;
In the third, 150 per cent;
In the fourth, 100 per cent;
In the fifth, 80 per cent;
In the sixth, 60 per cent;
In the seventh to the eleventh each time 10 per cent less.

PAR. 3. The interest shall also be turned into the reserve.

ARTICLE 743.

PARAGRAPH 1. After the first 11 years, or if this period had already expired at the time of the coming into force of the industrial accident insurance law (Reichs-Gesetzblatt, 1900, p. 585) then from the year 1901 on, the supplementary charge shall be so measured that in the following 21 years the capital of the reserve shall be equal to three times the compensation which is to be paid in the year of the last supplementary charge.

PAR. 2. If an accident association in the 21 years would have to collect unreasonably high supplementary charges, then the Imperial Insurance Office can extend the period not more than 10 years.

PAR. 3. The Imperial Insurance Office specifies the amount of the supplementary charge which the accident association has to collect.

ARTICLE 744.

PARAGRAPH 1. The interest on the reserve received in the intermediate period (art. 743) may be used to cover the current expenditures. After the expiration of this period those amounts are to be taken from the interest which are necessary to prevent the further increase in the assessments which according to experience would be charged on the average on each 100 marks [$23.80] of earnings. The remainder of the interest is to be added to the reserve until the reserve is equal to one-half of the capital necessary to cover the compensation liabilities at the period in question.

PAR. 2. In special cases the Imperial Insurance Office may specify which part of the interest shall be used for the reduction of the assessments and which part for the addition to the reserve.

PAR. 3. The Imperial Insurance Office shall also specify the manner in which the capitalized value of the liabilities for compensation is to be obtained.

ARTICLE 745.

The securities in which the reserve is invested are to be reported at their purchase price in determining the assets.

ARTICLE 746.

With the approval of the Imperial Insurance Office an accident association in case of need can draw on the capital of the reserve and also draw on the interest thereof before the expiration of the first 11 years. The reserve is then to be restored according to regulations of the Imperial Insurance Office.

ARTICLE 747.

The general meeting of tne accident association may upon application of the directorate decide to make additional supplementary charges for the reserve at any time. Such decisions require the approval of the Imperial Insurance Office.

ARTICLE 748.

PARAGRAPH 1. Articles 742 to 747 are not applicable to the engineering and excavating association. The existing reserve, however, shall be maintained at its present amount; the interest thereon can be used to cover the liabilities of the accident association.

PAR. 2. With the approval of the Imperial Insurance Office the accident association may in case of need draw on the capital of the reserve. It shall then be restored according to provisions of the Imperial Insurance Office.

III. PROCEDURE IN ASSESSMENTS AND COLLECTIONS.

ARTICLE 749.

PARAGRAPH 1. The directorates of the accident associations must assess upon the members the payments which the highest postal authorities prove to have been made (art. 777), together with the other expenditures, according to the standard of apportionment already determined upon. In such case the provisions concerning the division and joint carrying of the cost (arts. 713 to 716) are to be considered and the advances already collected to be deducted.

PAR. 2. Article 764 applies to the engineering and excavating association; article 731, paragraph 3, article 763, and articles 799 to 842 are applicable to the branch institutes; article 731, paragraph 3, and article 842, paragraph 2, are applicable to the insurance associations.

ARTICLE 750.

PARAGRAPH 1. For the purpose of the assessment and the collection of the contributions each member, unless lump sums are used or uniform contributions are to be paid (art. 734) must transmit his wage list within six weeks after the close of the fiscal year to the directorate of the accident association.

PAR. 2. This wage list must contain—

1. The insured persons employed in the establishment during the preceding fiscal year and the earnings received by them;
2. If the wages actually earned are not used as a standard, a computation of the earnings which are to be used in the assessment of the contribution;
3. The risk class in which the establishment is rated.

PAR. 3. The constitution may specify that in place of the individual insured persons and the earnings received by them, the wage list shall contain the number of the insured persons and the total amount of earnings for the whole fiscal year or for shorter periods (summary wage list).

ARTICLE 751.

The constitution may provide—

That the wage list shall be transmitted either quarterly or semiannually;

That current wage lists (wage books) shall be kept from which this information can be taken;

That the wage lists (wage books) shall be preserved for three years.

ARTICLE 752.

In the case of members who do not transmit the wage lists punctually or whose lists are incomplete, the accident association shall itself either prepare the list or complete the same.

ARTICLE 753.

On the basis of the wage lists, the lump-sum payments and the uniform contributions, the directorate of the accident association shall prepare a total list of insured persons who have been employed by the members during the preceding fiscal year, and a statement of the earnings that can be included in the computation which the insured persons have received. On this basis it shall compute the contribution which falls to each member in order to cover the total expenditure.

ARTICLE 754.

PARAGRAPH 1. To each member shall be sent an extract from the assessment roll which shall be drawn up for the distribution of the annual expenditures of the accident association, together with the demand, that within two weeks he shall pay the contribution determined upon, from which shall have been deducted the advances paid, in order to avoid compulsory collection and in the case of voluntary insurance in order to avoid exclusion (art. 553), if the constitution permits this step.

PAR. 2. The extract must contain statements which will permit the person required to make a payment to verify the computation of the contribution.

ARTICLE 755.

PARAGRAPH 1. After the transmission of the extract, the accident association can then determine the contribution otherwise only if—

The classification of the establishment in the risk classes is changed at a later time;
A change in the establishment occurring in the course of the fiscal year becomes known afterwards;
The wage list proves inaccurate.

PAR. 2. If in such cases or on account of failure to report an establishment the accident association has lost contributions, then the undertaker shall at a later time pay the amount lacking, provided that the claim has not lapsed.

ARTICLE 756.

In the case of a new or subsequent determination of the contribution the procedure is the same as in the case of the first determination.

ARTICLE 757.

PARAGRAPH 1. Within two weeks the members may make protest against the determination of their contributions to the directorate, but remain obliged to make provisional payment.

PAR. 2. They are not required to make provisional payment if the earnings are already contained in the wage list for another accident association and the contributions which are based on these earnings have been paid to this accident association.

ARTICLE 758.

PARAGRAPH 1. If the directorate does not comply with the protest or does not comply to the extent applied for, then an appeal against its decision is permissible only subject to article 759.

PAR. 2. Appeals shall be based only upon—

Mistakes in computation;
Inadequate consideration of the rebates (art. 712);
Incorrect rates of earnings;
Inaccurate rating in a risk class.

PAR. 3. Protests on account of the last two reasons are not permissible if the directorate has itself drawn up the wage list or completed the same on account of the delay of the undertaker.

ARTICLE 759.

If claims are based on the reasons stated in article 757, paragraph 2, and the accident association declines to recognize them as well founded, it must place the

matter before the superior insurance office. The latter shall decide to which accident association the earnings are to be reported and suspends a divergent determination of the contributions even if such determination has already become effective. An appeal against the decision of the superior insurance office effects a stay.

ARTICLE 760.

PARAGRAPH 1. If the contribution is reduced upon the appealing of a claim or upon protest, then the amount lost is to be included in the assessment for the succeeding fiscal year.

PAR. 2. Excessive payments are to be returned or to be deducted from the contribution for the succeeding fiscal year.

ARTICLE 761.

If it develops later that a contribution paid without a protest has been collected either wholly or partly without right, then the provisions of articles 757 to 760 are correspondingly applicable.

ARTICLE 762.

Uncollectible contributions shall be charged to the whole membership. They shall be covered for the time being out of the available funds of the accident association, or if necessary, out of the reserve, and shall be considered in the assessment of the succeeding fiscal year.

ARTICLE 763.

In the case of accident associations to which a branch institute is attached the directorate of the accident association determines which part of the payments called for by the highest postal authorities is to be paid by the accident association and which part is to be paid by the branch institute.

ARTICLE 764.

PARAGRAPH 1. The engineering and excavating association shall pay that part which falls upon the accident association itself from its available funds.

PAR. 2. At the same time it must compute according to article 731, paragraph 2, the capitalized value of the burdens which have arisen for the association in the preceding fiscal year and collect the same from its members, together with the other expenditures according to the standard of apportionment already determined upon. In such case the provisions concerning the division and joint carrying of burdens, articles 713 to 716, are to be considered and the advances already collected to be deducted.

PAR. 3. In other matters articles 750 to 763 are applicable.

ARTICLE 765.

Paragraph 1. If the undertaker of a building operation conducted as a business is in arrears with the payment of contributions and the execution procedure shows that he is bankrupt, then the local insurance office on application of the directorate of the accident association may order, with the right to revoke the same, that the person for whose account the building is done as well as subcontractors are in so far liable for the contributions during one year after their final determination, as they have arisen after the issuance of the order. For such cases the constitution may specify the particulars in regard to the keeping of wage lists to determine the amount of wages for which the person on whose account the building is being done or the subcontractor is liable.

PAR. 2. The liability of subcontractors takes precedence of that of the person for whose account the building work is done.

ARTICLE 766.

PARAGRAPH 1. An order of this kind must clearly designate the undertaker to whom it applies, giving his name, residence, and business establishment. The order shall be communicated not only to him but also to the police authorities, both of his residence and of the seat of his establishment if the latter is in a separate place.

PAR. 2. If the employer changes his residence or the seat of his establishment then the police officials shall notify the authorities who are competent for the new place of residence or seat of the establishment.

PAR. 3. The police authorities must, on request, give the parties affected information concerning the order.

ARTICLE 767.

PARAGRAPH 1. The undertaker must without delay give notice in writing concerning the order to the person on whose account the work is done. If he takes over a contract for building work then he must give notice thereof in advance. Subcontractors must without delay give information concerning the notice to the person giving the order.

PAR. 2. Whoever acts contrary to these provisions shall be punished with confinement in jail up to one year; in addition a fine up to 3,000 marks [$714] may be imposed. If he has acted negligently he shall be punished with a fine up to 100 marks [$23.80]. The penalty is only imposed if the person giving the order suffers damage as a result of the contravention.

ARTICLE 768.

The local insurance office shall suspend the order whenever it has been proved to it through certificate of the directorate that the undertaker is no longer in the debt of the accident association.

ARTICLE 769.

The superior insurance office decides finally upon appeal against—
Decrees of the local insurance office;
Refusals to issue such decrees;
Decisions of the local insurance office on the cancellation of the decree.

ARTICLE 770.

In controversies between the accident association and the person on whose account the building work is done or the subcontractors in regard to the liability in such cases (art. 765) the superior insurance office (decision chamber) shall decide; appeal to the regular courts is not permitted.

ARTICLE 771.

Articles 765 to 770 are correspondingly applicable for establishments conducted as a business engaged in hauling, inland navigation, and inland fishing. In such cases the proprietor of the apparatus used in the business takes the place of the person on whose account the building work is done and of the person giving the order. In case there are several proprietors they are liable as collective debtors.

ARTICLE 772.

PARAGRAPH 1. The highest administrative authorities of the federal State may specify that before the beginning of the building work the persons on whose account the work is done shall furnish guaranties to the building accident association for the payment of the contributions or the premiums.

PAR. 2. They shall also specify at the same time the communes and the building operations to which this provision is applicable.

PAR. 3. For such building operations the building permit shall be issued only if the accident association certifies that the guaranty has been provided.

ARTICLE 773.

The accident association shall determine the kind and the amount of the guaranty; the amount is to be proportioned according to the probable wage payments for the insured building workers. The Imperial Insurance Office shall issue general regulations.

ARTICLE 774.

The person for whose account the building work is done may apply for the return of the guaranties from the accident association whenever the building work is carried out by building contractors for whom he is not liable (art. 765).

ARTICLE 775.

The highest administrative authorities may withdraw their regulations (art. 772).

ARTICLE 776.

In controversies between the accident associations and persons for whom building work is done in the cases mentioned in articles 772 to 775, the superior insurance office shall decide; appeal to the regular courts is not permissible.

IV. TRANSFERRING AMOUNTS TO THE POST OFFICE DEPARTMENT.

ARTICLE 777.

PARAGRAPH 1. Within eight weeks after the end of each fiscal year the highest postal authorities shall report to the directorates of the accident associations the payments made on their account and shall designate the post offices to which these amounts are to be refunded.

PAR. 2. After acknowledgment by the directorates of the accident associations of the amounts demanded, the highest postal authorities shall notify the accounting bureau of the Imperial Insurance Office of the amounts which have been paid in the preceding fiscal year for each accident association.

PAR. 3. The accounting bureau balances the actual amounts which are to be refunded to the Post Office Department.

ARTICLE 778.

If an accident association does not have to pay an advance to the Post Office Department, then the directorate of the accident association shall transmit the amounts which it has to pay to the Post Office Department within three months after the receipt of the demand to the offices designated therein.

ARTICLE 779.

Payments for compensation which the Post Office Department made in the year 1909 for an accident association are to be treated as the floating debt of the latter, and must have 3½ per cent interest paid thereon, and are to be refunded at the rate of 3½ per cent, together with the interest saved. The Empire shall defray two-fifths of these amounts of interest and refunding, while the accident associations have to transmit three-fifths to the Post Office Department in July of each year, together with the partial amounts of the postal advance then due.

ARTICLE 780.

PARAGRAPH 1. The size of the postal advance and the amount to be paid according to article 779 shall be determined for each accident association by the accounting bureau of the Imperial Insurance Office, and a statement thereof shall be communicated to the accident associations and to the highest postal authorities.

PAR. 2. For the computation of the postal advance the highest postal authorities communicate to the accounting bureau the amount of the payments in the preceding fiscal year which have been authorized by the directorates of the accident associations. Until the amount of the new postal advance has been determined the partial amounts shall continue to be paid in the same amounts as heretofore. These amounts shall be deducted when the new advance has been determined upon.

ARTICLE 781.

If the claims of the Post Office Department are not paid punctually by the accident associations, then the Imperial Insurance Office, upon application of the Post Office Department, shall institute proceedings for compulsory collection.

ARTICLE 782.

In order to cover the claims of the Post Office Department the Imperial Insurance Office shall first make use of the available assets in the treasury of the accident association. In so far as these assets are not sufficient, proceedings for compulsory collection against the members of the accident association shall be instituted and continued until the arrears are covered.

SECTION SEVEN—BRANCH INSTITUTES.

I. BRANCH INSTITUTES FOR THE BUILDING TRADES.

1. Establishment, scope, and organization.

ARTICLE 783.

PARAGRAPH 1. Those persons shall be insured in the branch institutes attached to an accident association of persons carrying on building work, who are employed in such work by the undertaker carrying on building work otherwise than as a business in the district of the accident association (art. 633, par. 2, No. 1).

PAR. 2. The same shall be applicable in the case of self-insured undertakers engaged in such building work.

ARTICLE 784.

The branch institutes may not undertake other kinds of insurance.

ARTICLE 785.

In addition to the building work for which they have been established, the branch institutes of the building trades accident associations may have transferred to them building work on railways, canals, roads, streams, dikes, and other building operations in their district if an undertaker engaged in building work not conducted as a business (art. 633, par. 2, No. 1) executes such work and if not more than six working days are actually covered by each separate piece of work.

ARTICLE 786.

The administrative bodies of the accident association shall administer the branch institute if the constitution of the latter does not provide otherwise (art. 794).

ARTICLE 787.

PARAGRAPH 1. The income and expenditures of the branch institute are to be accounted for separately, and the assets are also to be kept separately.

PAR. 2. A special reserve must be accumulated for the branch institute. It may not be used for the purposes of the accident association.

ARTICLE 788.

PARAGRAPH 1. The rest of the property which is intended for the branch institute may be used for the accident association only with the approval of the Imperial Insurance Office.

PAR. 2. The approval for this purpose may only be granted if the part of the property which remains in the branch institute will probably be sufficient to cover permanently the liabilities already outstanding against the branch institute.

ARTICLE 789.

In so far as it is necessary the accident association must advance out of its own reserve the funds for the business operation of the branch institute.

ARTICLE 790.

PARAGRAPH 1. The branch institute must collect for the costs of administration such sums as are actually required for its separate administration.

PAR. 2. With the approval of the Imperial Insurance Office, a lump sum may in addition be imposed on it as its share of the joint costs of administration.

ARTICLE 791.

The branch institute must share in the advance which the accident association has to make to the Post Office Department (art. 728) according to the proportion of the compensation payments which the Post Office Department in the preceding fiscal year has paid out for the accident association and for the branch institute.

ARTICLE 792.

PARAGRAPH 1. The general meeting of the accident association must establish for the branch institute a constitution of its own.

PAR. 2. In the discussions on this subject a representative of the Imperial Insurance Office must be present and, upon his demand, must be heard at any time.

ARTICLE 793.

The constitution of the branch institute must contain provisions concerning—

1. The obligation to give notice on the part of the undertakers designated in article 633, paragraph 2, No. 1, who wish to insure themselves, as well as the amount and the computation of the annual earnings of these undertakers;
2. Delimitation of the rights of the directorate and of the general meeting of the accident association in the administration of the branch institute;
3. Accumulation of the reserve;
4. Drawing up, examining, and accepting of the annual balance sheet;
5. Publication of the annual accounts;
6. Amending the constitution of the branch institute.

ARTICLE 794.

PARAGRAPH 1. The constitution of the branch institute may specify that it shall be administered through separate administrative bodies.

PAR. 2. In such case it shall also specify the seat of these administrative bodies, their composition, their districts, and the scope of their rights.

ARTICLE 795.

The general meeting of the accident association may transfer to the directorate of the accident association the delimitation of the districts of the separate administrative bodies and the election of their members.

ARTICLE 796.

The constitution of the branch institute and its amendments require the approval of the Imperial Insurance Office. If the approval shall be refused, the decision senate shall decide the matter; the reasons for the refusal are to be communicated. If the approval has been refused, then on appeal the Federal Council shall decide.

ARTICLE 797.

The directorate of the accident association must publish the districts and the composition of the separate administrative bodies in the Reichsanzeiger.

ARTICLE 798.

The following building operations shall be insured in a branch institute:

1. Those operations in which the separate operations actually consume more than six working days (longer building work) to be insured at the expense of the undertaker (art. 633, par. 2, No. 1), with the use of fixed premiums according to the premium tariff (arts. 799 to 824);
2. Those operations in which the separate operations consume not more than six working days (short building work), to be insured at the expense of the communes or of the unions designated in articles 828 to 830 whose district is covered by the accident association; the payments therefor shall be made in the form of contributions which shall annually be assessed upon these communes or unions according to the expenditure of the preceding fiscal year.

2. Insurance at the expense of the undertakers—Premiums.

ARTICLE 799.

PARAGRAPH 1. For each month and not later than three days after the expiration thereof the undertakers of longer building operations must submit a report to the officials designated by the highest administrative authorities in whose district the building work is carried out concerning the following:

1. The number of working days on which operations were conducted;
2. The payments made to the insured persons therefor.

PAR. 2. The Imperial Insurance Office shall prescribe the form of this report.

ARTICLE 800.

PARAGRAPH 1. If this report is not sent in or is incomplete, the authorities shall make it out or complete it according to their own knowledge of the conditions.

PAR. 2. For this purpose they may require those subject to this provision to give the information within a specified time under penalty of a fine up to 100 marks [$23.80].

ARTICLE 801.

PARAGRAPH 1. The authorities must transmit the reports within two weeks after the expiration of the quarter of the calendar year through the channels of the local insurance office to the directorate of the accident association or to the administrative body of the accident association designated by the latter.

PAR. 2. In this connection the authorities (art. 799) must certify that nothing is known to them concerning the execution of other building work in their district concerning which reports should be made.

ARTICLE 802.

The tariff of premiums must show what unit rate must be paid in premiums for each one-half mark [11.9 cents] of computable wages or fraction thereof.

ARTICLE 803.

If the accident association graduates the contributions in the risk tariff according to the class of building work, then the same proportion must also be used for the unit rates of the premiums.

ARTICLE 804.

PARAGRAPH 1. The Imperial Insurance Office determines in advance the tariff of premiums at least every five years for each accident association after hearing the directorate thereof.

PAR. 2. The following factors shall be used as the basis for this purpose:

The capitalized value of the benefits which a branch will probably have to pay on account of accidents in connection with longer building operations, based on an annual average;

The supplementary charges for the creation of the reserve;

A lump sum for the costs of administration of the branch institute which are to be computed according to the annual average of the preceding tariff period after deducting the share for shorter building operations (art. 832). The Imperial Insurance Office shall specify the details in this connection.

PAR. 3. In this connection the interest on the reserve shall be deducted, provided that according to the constitution of the branch institute the interest does not accrue to the institute itself.

ARTICLE 805.

The Imperial Insurance Office shall publish the tariff of premiums in the Reichsanzeiger and in the papers which are designated for official announcements of the highest or superior administrative authorities in whose district the tariff shall be in force.

ARTICLE 806.

The tariff shall come into force not earlier than two weeks after its publication.

ARTICLE 807.

After each quarter of the calendar year the directorate of the accident association shall compute on the basis of the tariff of premiums and the reports, the premiums to be paid by each undertaker and shall draw up the assessment roll.

ARTICLE 808.

If the earnings of the insured persons per day of building work are lower than the local wage rate specified for adults in the place of employment, then the premiums shall be computed according to the latter.

ARTICLE 809.

Extracts from the assessment roll are to be forwarded to the communes with the request that they shall collect the premiums from the undertakers in their district and within one month transmit the same to the competent administrative body of the accident association after deduction of the postal fee.

ARTICLE 810.

PARAGRAPH 1. The accident association must grant a fee to the communes for the collection of the premiums, and the amount of this fee shall be determined by the highest administrative authorities acting in agreement with the Imperial Insurance Office.

PAR. 2. No fee shall be granted for a commune's own building operations.

ARTICLE 811.

For those premiums which the communes can not prove are actually lost or are impossible of collection by compulsory execution, the communes are liable and must forward them in advance.

ARTICLE 812.

PARAGRAPH 1. The extract from the assessment roll must contain statements which will enable the person required to pay the premiums to verify the computation thereof.

PAR. 2. If it is afterward shown that the report of earnings was incorrect then the same regulations shall be applicable for the premiums as in the case of contributions due the accident association (arts. 756 and 757).

ARTICLE 813.

PARAGRAPH 1. The communal authority shall make the extract available for inspection to the persons affected, for two weeks, and shall make known the beginning of the period in the manner customary in the locality.

PAR. 2. They may also forward the extract to the persons affected instead of leaving it open for inspection.

ARTICLE 814.

The persons required to make payments may make protest against the computation of the premiums to the directorate of the accident association or to the other competent administrative body (art. 794) within two weeks after the expiration of the period stated in article 813, paragraph 1, or after the delivery thereof; the person required to make payment, however, is obliged to pay the same for the time being. In such cases article 757, paragraph 2, and article 759, are correspondingly applicable.

ARTICLE 815.

PARAGRAPH 1. Subject to article 814, sentence 2, the protest may only be based upon the following:

Mistakes in computation.

Incorrect statement of wages.

Incorrect use of the tariff of premiums.

The assertion that no obligation for the payment of premiums exists.

PAR. 2. The protest may not be based upon incorrect statement of earnings if the authority has itself drawn up the same or completed it because of the failure of the person obligated to make such report.

ARTICLE 816.

Against the decision issued by the superior insurance office upon appeal, further appeal is permissible only if the appellant shows that he is not obligated to make payments of premiums.

ARTICLE 817.

If it later develops that an amount paid without protest was collected either wholly or in part incorrectly, then articles 814 to 816 shall be correspondingly applicable.

ARTICLE 818.

Premiums which may not be collected are, in case of need, to be covered out of the reserve of the branch institute and are to be considered in determining the next tariff of premiums.

ARTICLE 819.

PARAGRAPH 1. The owner of a building is liable for a period of one year for the premiums and other payments of bankrupt undertakers after the obligation has been finally determined.

PAR. 2. The liability of the subcontractors takes precedence of that of the building owner.

ARTICLE 820.

In case the building owner has given security to the accident association according to official regulations of the State authorities (art. 772), then the association is also liable for the premiums and other payments which the building owner must pay according to article 798, number 1, as an undertaker, or must pay according to article 819 on account of bankrupt undertakers.

ARTICLE 821.

If controversies arise between the accident association (branch institute) and building owners or subcontractors in regard to the liability, then the superior insurance office (decision chamber) shall decide; appeal to the regular courts is not permissible.

ARTICLE 822.

The accident association may not demand on behalf of the branch institute any payments from the undertakers except premiums, fines, and costs, which are to be collected in accordance with this law.

ARTICLE 823.

PARAGRAPH 1. If communes, unions of communes, public corporations, and other building owners regularly carry out building operations without making use of other undertakers, then upon their application a lump sum based on the average annual number of working days can be determined upon in place of the earnings according to which premiums are to be computed.

PAR. 2. At the same time the date when the premiums are to be paid must be determined.

PAR. 3. In such cases the provisions concerning monthly reports (arts. 799 to 801) and the quarterly computation and the collection of the premiums (arts. 807 to 811) are not applicable.

ARTICLE 824.

Whenever the share of the branch institute in the amounts which are to be paid to the Post Office Department arise from accident caused by longer building operations, the funds for the replacement thereof shall be taken from the available cash in premiums.

3. *Insurance at the cost of communes.*

ARTICLE 825.

PARAGRAPH 1. The funds for covering amounts paid for compensation and costs of administration which accrued to a branch institute on account of accidents in short building operations shall be raised by annual assessment upon the communes in proportion to the population in the districts included in the accident association.

PAR. 2. If the branch institute has participated in the advance of the accident association to the Post Office Department, then on this account an advance may be assessed upon the communes equal in amount to the contributions of the preceding fiscal year.

PAR. 3. Beginning with the fiscal year which follows the last census, the number of inhabitants officially determined by it shall be used as a basis.

ARTICLE 826.

An extract from the assessment roll is to be forwarded to the communes with a request for the payment of the amount determined upon within two weeks under penalty of compulsory collection.

ARTICLE 827.

PARAGRAPH 1. The extract must contain statements which will enable those obligated to make the payment to verify the computation.

PAR. 2. Protests and appeals are subject to the same provisions as in the case of the accident association (art. 757, par. 1, arts. 758, 760, and 761); however, protests are permissible only if they are based upon mistakes in computation or upon errors in the statement of the population.

ARTICLE 828.

PARAGRAPH 1. The highest administrative authority may decree that unions of communes may take the place of the communes or in specified districts several communes may jointly assume the costs which accrue to them on account of the accident insurance with the branch institute.

PAR. 2. This authority shall specify at the same time how such unions shall be represented and administered and shall specify the principles upon which the joint cost is to be apportioned to the individual communes.

ARTICLE 829.

The highest administrative authority may in addition provide that administrative districts shall take the place of the communes in the assessment and in such case how the amount assessed shall be apportioned to the individual communes.

ARTICLE 830.

PARAGRAPH 1. In so far as the highest administrative authority has not issued such regulations the communes may unite themselves on their own initiative for taking over the costs which accrue to them on account of accidents in short building operations.

PAR. 2. They shall at the same time specify how the union is to be represented and administered. The union must have the approval of the highest administrative authority.

ARTICLE 831.

The decrees and the agreements of these unions (arts. 828 to 830) are to be communicated to the accident associations affected and to the Imperial Insurance Office.

ARTICLE 832.

The amount of the costs of administration which are to be assessed upon the communes and the unions shall be determined in a corresponding manner as in the case of insurance at the cost of the undertaker (art. 804).

ARTICLE 833.

Within the individual communes or unions of communes the costs arising out of the insurance of short building operations shall be collected in the same way as communal taxes.

ARTICLE 834.

PARAGRAPH 1. The State laws or legal enactments of the individual communes or of a union of communes can specify another standard of apportionment and especially specify that the owners of land or buildings shall bear the cost.

PAR. 2. Legal provisions of this kind shall require the approval of the superior administrative authority.

ARTICLE 835.

The communes or other unions have no claim to the reserve of the branch institute on account of the costs which accrue to them through the insurance of short building operations.

II. BRANCH INSTITUTES FOR THE KEEPING OF RIDING ANIMALS AND CONVEYANCES.

ARTICLE 836.

PARAGRAPH 1. Those persons shall be insured in the branch institute which is attached to an accident association of undertakers of establishments engaged in hauling or inland navigation as a business who are employed in the district of the accident association in establishments for the keeping of riding animals or conveyances not conducted as a business (art. 537, Nos. 6 and 7).

PAR. 2. The same rule applies in the case of self-insured undertakers in such activities.

PAR. 3. In the case of conveyances on water these activities shall be insured in the branch institute of the accident associations for inland navigation; in other cases in the branch institute of the accident association for hauling establishments conducted as a business: *Provided*, That the Federal Council does not enact other provisions in accordance with article 629, paragraph 2.

ARTICLE 837.

PARAGRAPH 1. The general meeting of the accident association may provide that instead of one several branch institutes may be created for individual areas of their district.

PAR. 2. Such provisions shall require the approval of the Imperial Insurance Office; they are to be published in the Reichsanzeiger.

ARTICLE 838.

In the branch institutes insurance at the cost of the undertakers (art. 633, par. 2, No. 2) shall be for premiums according to a tariff of premiums.

ARTICLE 839.

PARAGRAPH 1. The undertakers must make a report for each quarter of a calendar year and not later than three days after the expiration thereof to the authority in whose district the activities are carried on, and who shall be specified by the highest administrative authority, concerning the following subjects:

1. The working days on which operations were conducted;
2. The payments made to the insured persons therefor.

PAR. 2. The Imperial Insurance Office shall prescribe the form for the report.

PAR. 3. Persons neglecting to make such reports shall be proceeded against as in the case of the branch institutes for building work (art. 800).

ARTICLE 840.

PARAGRAPH 1. The authority shall, within two weeks after the expiration of the quarter of the calendar year transmit these reports through the channels of the local insurance office to the directorate of the accident association or the administrative body of the accident association designated by the latter.

PAR. 2. In connection therewith the authority (art. 839) shall certify that nothing further has become known to them concerning the keeping of riding animals or vehicles (art. 537, numbers 6 and 7) not conducted as a business, in their district.

ARTICLE 841.

The tariff of premiums must show what unit rate of premiums must be paid for each one-half mark [11.9 cents] or fraction thereof of computable earnings.

ARTICLE 842.

PARAGRAPH 1. In other matters the provisions for branch institutes for building work (arts. 784, 786 to 797, 803 to 818, and 822 to 824) shall be applicable for these branch institutes.

PAR. 2. If an insurance association takes the place of a branch institute then articles 647, 648, and 736 shall be applicable to it, and the provisions for branch institutes contained in articles 803 to 818, 822 to 824, 836, paragraphs 1 and 2, and articles 838 to 841, shall be correspondingly applicable. The insurance association must also accumulate a reserve.

SECTION EIGHT.—ADDITIONAL INSTITUTIONS.

ARTICLE 843.

The accident associations may create institutions for—

1. Insurance against liability for undertakers (art. 633) and persons of like status.
2. Funds providing subsidies to pensions and funds for retirement pensions for establishment officials, members of the accident association, insured persons, officials of the accident associations, and the relatives of these persons.
3. The procuring of employment for persons injured by accident.

ARTICLE 844.

PARAGRAPH 1. The accident association shall be the carrier of these institutions.

PAR. 2. Participation in these institutions is voluntary.

ARTICLE 845.

Decisions of the general meeting of the accident association:

Concerning institutions of the kind designated in article 843, Nos. 1 and 2, and the by-laws thereof, must have the approval of the Federal Council.

Institutions of the kind designated in article 843, No. 3, must have the approval of the Imperial Insurance Office.

ARTICLE 846.

The supervision of these institutions shall be administered by the Imperial Insurance Office.

ARTICLE 847.

PARAGRAPH 1. Accident associations may unite to form such institutions in common.

PAR. 2. The agreement of union may only become effective at the beginning of a fiscal year.

PAR. 3. For the approval of such unions article 845 shall be correspondingly applicable.

SECTION NINE.—ACCIDENT PREVENTION—SUPERVISION.

I. REGULATIONS FOR ACCIDENT PREVENTION.

ARTICLE 848.

PARAGRAPH 1. The accident associations are obliged to issue the necessary regulations concerning—

1. The arrangements and orders which the members are required to provide for the prevention of accidents in their establishments.
2. The rules of conduct which the insured persons must observe for the prevention of accidents in the establishments.

PAR. 2. Regulations for the prevention of accidents may also be issued for individual districts, branches of industry, and kinds of establishments.

PAR. 3. In these regulations it must be specified in what manner they are to be made known to the insured persons.

PAR. 4. If workmen are employed in an establishment who are not familiar with the German language then the regulations for the prevention of accidents and the decrees of the mining inspection which replace them are to be made in another language: *Provided*, That together 25 persons speak such language.

ARTICLE 849.

If establishments belong to an accident association and these establishments because of their nature should have been apportioned to another accident association (arts. 540, 542, 631, and 632), then regulations for the prevention of accidents shall be issued for these establishments which correspond to the regulations of those accident associations to which the establishments because of their nature should have belonged.

ARTICLE 850.

An appropriate period of time is to be allowed to the members in order to institute the arrangements prescribed for the prevention of accidents.

ARTICLE 851.

Violations by the members of these regulations may be punished with fines up to 1,000 marks [$238], by the insured persons with fines up to 6 marks [$1.43].

ARTICLE 852.

A draft of the regulations is to be transmitted to the Imperial Insurance Office. If the accident association is divided into sections, the directorates of the sections affected must in advance render an opinion upon the draft.

ARTICLE 853.

PARAGRAPH 1. In the preparation and final decision upon these regulations the directorate of the accident association must call in representatives of the insured persons who shall have the full right to vote thereon and shall have the same number of votes as the members of the directorate participating.

PAR. 2. The same shall be correspondingly applicable for opinions in regard to protective regulations issued on the basis of article 120e, paragraph 2, of the Industrial Code.

ARTICLE 854.

The directorate of the accident association must invite the Imperial Insurance Office to the sessions in which the draft of the regulations is to be prepared and decided upon.

ARTICLE 855.

In case regulations for the prevention of accidents or protective regulations on the basis of 120e, paragraph 2, of the Industrial Code are applicable for individual sections only, then the directorates of these sections shall call in the insured persons for the purpose of securing their opinion. In such cases article 853, paragraph 1, shall be correspondingly applicable.

ARTICLE 856.

The draft of the regulations is to be communicated to the representatives of the insured persons at the same time that the invitation is sent for the meeting in which the regulations are to be discussed, or considered, or decided upon.

ARTICLE 857.

Once each year the directorate, which shall call in at the same time representatives of the insured persons (art. 853, par. 1) shall take cognizance of the reports of the technical supervisory officials and shall suggest measures which seem required for the improvement of the regulations for the prevention of accidents. In such cases article 854 is applicable.

ARTICLE 858.

PARAGRAPH 1. Representatives of the insured persons shall be elected from the associates of the superior insurance office in whose district the accident association or the section has members. Those associates of the superior insurance office only are entitled to election, however, who are competent to act as representatives of the insured persons and do not belong within the scope of the agricultural accident insurance or the navigation accident insurance.

PAR. 2. The mining accident association may in its constitution provide that the representatives of the insured persons must be elders of the miners. If this provision is enacted the representatives of the insured persons shall be elected from the elders of the miners' associations and miners' funds affected.

ARTICLE 859.

As representatives of the insured persons only those are eligible who are themselves insured according to this law against accident and are employed in an establishment which belongs to an accident association. In other respects article 12 is applicable.

ARTICLE 860.

PARAGRAPH 1. The Imperial Insurance Office shall issue the election rules.

PAR. 2. A representative of this office shall conduct the election.

ARTICLE 861.

For each representative of the insured persons a first and a second alternate must be elected. The alternate shall take his place if he is prevented from performing his duties and replace him for the remainder of his term of office if he leaves before this time, in the order according to which the election results.

ARTICLE 862.

The Imperial Insurance Office shall decide controversies concerning the validity of the election.

ARTICLE 863.

The chairman of the directorate shall determine the allowance (art. 21) for the representatives of the insured persons.

ARTICLE 864.

PARAGRAPH 1. The regulations for the prevention of accidents must have the approval of the Imperial Insurance Office; the decision senate shall decide thereon.

PAR. 2. The minutes of the proceedings of the directorates must accompany the application for the approval. The minutes must show how the representatives of the insured persons have voted; they must further contain an opinion of the directorates of the sections affected.

ARTICLE 865.

PARAGRAPH 1. An opportunity must be given to the highest administrative authorities affected to express an opinion before the approval is granted.

PAR. 2. Regulations for the prevention of accidents applying to establishments which are subject to the mining inspection may be approved only if the highest administrative authority acquiesces.

ARTICLE 866.

Even if the regulations for the prevention of accidents or parts thereof do not apply solely to individual sections, the Imperial Insurance Office may order that the directorates of the sections shall call in the representatives of the insured persons to secure their opinion before granting its approval.

ARTICLE 867.

If the general meeting of the accident association amends the decisions which the directorate and the representatives of the insured persons have made, then the Imperial Insurance Office shall specify whether the directorate, together with the representatives of the insured persons, shall again discuss and decide upon this matter.

ARTICLE 868.

If the Imperial Insurance Office makes its approval dependent on the amendment of the regulations, then it shall also specify whether the representatives of the insured persons shall be called in for discussion and for final decision.

ARTICLE 869.

The directorate of the accident association must communicate the regulations to the superior administrative authorities whose districts are affected.

ARTICLE 870.

The directorate of the accident association is authorized to determine the fines imposed upon members of the accident association, and the local insurance office (decision committee) for those imposed upon insured persons. The superior insurance office (decision chamber) shall decide upon appeal against the imposition of fines by the directorate of the accident association.

ARTICLE 871.

Those decrees which the State officials have issued for specified branches of industry or kinds of establishments for the prevention of accidents, must, in advance, be communicated to the directorates of the accident associations or of the sections for their opinions, provided that there is no risk in the delay. In such cases the representatives of the insured persons are to be called in in the same manner as in the discussion of the regulations for the prevention of accidents.

ARTICLE 872.

The police authorities must communicate to the accident association affected those orders which they enact for the prevention of accidents according to article 120d, paragraph 1, of the Industrial Code.

ARTICLE 873.

Whenever the matter concerns the issuance of regulations for the prevention of accidents which at the same time are intended to assure the safe operation of railways, then articles 852 to 856, 866 to 868, 871, and 872 are not applicable.

II. SUPERVISION.

ARTICLE 874.

The accident associations must provide for the execution or the regulations for the prevention of accidents.

ARTICLE 875.

The accident associations are authorized, and upon demand of the Imperial Insurance Office, are obligated to appoint technical supervisory officials in sufficient number to supervise the carrying out of the regulations for the prevention of accidents and to take cognizance of the arrangements of the establishments in so far as this is of importance in regard to membership in the accident association or for the classification in the risk classes. For such officials those persons may also be appointed who have formerly belonged to the insured establishments as workmen.

ARTICLE 876.

In order to verify the wage reports which have been handed in, the accident associations may inspect, through their accounting officials, those books and lists from which the number of workmen and officials employed and the amount of the wages earned are computed.

ARTICLE 877.

The business of the technical official and of the accounting official may, with the approval of the Imperial Insurance Office, be united in one person.

ARTICLE 878.

The undertakers are obligated to permit the technical supervisory officials of their accident association to enter the place of their business during business hours and are obligated to lay before the accounting officials the books and lists (art. 876) in such place.

ARTICLE 879.

PARAGRAPH 1. The Imperial Insurance Office may force the undertakers to comply with their duties arising out of article 878 upon the application of any person participating in the supervision, by the imposition of fines up to 300 marks [$71.40].

PAR. 2. The superior insurance office decides finally upon appeal.

ARTICLE 880.

The undertaker may demand special experts instead of the technical supervisory officials if he fears, on account of the latter's inspection, some damage to his trade secrets or other injury to his business activities.

ARTICLE 881.

PARAGRAPH 1. In such cases the undertaker must, as soon as possible, designate to the directorate of the accident association several persons who are competent and ready to inspect the establishment at his expense and to give the accident association the necessary information.

PAR. 2. The Imperial Insurance Office shall decide, upon request, if the parties can not agree in the matter.

ARTICLE 882.

The local insurance office of the place of residence shall put under oath the members of the administrative bodies of the accident associations, the technical supervisory and accounting officials, as well as the special experts, to keep secret all matters which become known to them through the supervision of the establishments or through the examination of the books or lists, as well as not to make an unauthorized use of business and trade secrets.

ARTICLE 883.

PARAGRAPH 1. The directorate of the accidents association must report the name and residence of the technical supervisory and accounting officials to the superior administrative authorities affected.

PAR. 2. The directorate must make reports to the Imperial Insurance Office concerning the activities of the technical supervisory officials and, upon request, to the State supervisory officials (art. 139b of the Industrial Code).

ARTICLE 884.

PARAGRAPH 1. If the supervisory official of the accident association has received information concerning orders which the State officials have issued for the prevention of accidents, then he may not give orders in conflict therewith.

PAR. 2. If, however, he believes a conflicting order necessary or considers an order of the State officials inconsistent with a regulation for the prevention of accidents, he shall report thereon to the directorate of the accident association. The latter may then call upon the superior officers of the State officials.

ARTICLE 885.

PARAGRAPH 1. If the State supervisory official considers orders of the accident association as conflicting or inconsistent with the regulations for the prevention of accidents, then the official shall communicate the fact to the directorate of the accident association.

PAR. 2. If the directorate considers the protest unfounded, it may call upon the superior officers of the State officials.

ARTICLE 886.

The directorate of the accident association must transmit to the Imperial Insurance Office information concerning all proceedings which concern differences of opinion between the two sets of supervisory official.

ARTICLE 887.

If on account of the negligence of an undertaker the accident association incurs cash expenditures on account of the supervision of his establishment or on account of the examination of his books and lists then the directorate may charge these costs to the undertaker and in addition impose upon him fines up to 100 marks [$23.80]. The costs shall also be collected in the same manner as communal taxes.

ARTICLE 888.

With the consent of the association and under an agreement as to the costs the local insurance office may assist the accident association in regard to the supervision of those receiving pensions. In this matter the decision committee shall decide. If the committee declines then on appeal the superior insurance office shall decide finally.

ARTICLE 889.

The undertakers are required to permit the permanent members of the Imperial Insurance Office authorized by the Imperial Insurance Office to enter their places of work during the hours of operation, in order to determine the administration and effect of the regulations for the prevention of accidents which have been issued (art. 848). The Imperial Insurance Office may enforce the compliance of this obligation through fines up to 300 marks [$71.40].

III. SPECIAL PROVISIONS FOR BUILDING OPERATIONS AND FOR THE KEEPING OF RIDING ANIMALS AND CONVEYANCES.

ARTICLE 890.

PARAGRAPH 1. Regulations for the prevention of accidents are also to be issued for activities in connection with building operations not carried on as a business and for the keeping of riding animals and conveyances not carried on as a business (art. 537, Nos. 6 and 7).

PAR. 2. That accident association is competent in whose branch institute the persons employed in such activities are insured. If they are insured in an insurance association, then the latter is competent.

ARTICLE 891.

PARAGRAPH 1. Subject to the following provisions, articles 848 to 889 shall be applicable also for these activities.

PAR. 2. In case of violations of the regulations for the prevention of accidents, fines up to 100 marks [$23.80] may be imposed on the undertakers of short building operations.

PAR. 3. In an insurance association, the representatives of the insured persons are elected from the associates of the superior insurance office over whose districts the accident association or section extends; in this case article 858, paragraph 1, sentence 2, shall be applicable.

SECTION TEN.—ESTABLISHMENTS AND ACTIVITIES FOR THE ACCOUNT OF PUBLIC BODIES.

ARTICLE 892.

PARAGRAPH 1. If the Empire or a federal State is a carrier of the insurance, then it shall take the place of the accident association and assume the rights and duties of the administrative bodies of the accident association through administrative authorities. For the military administration, the latter shall be specified by the highest military administrative authority of the division of the army, for the other administrations of the Empire, the imperial chancellor, and for the State administration, the highest administrative authority.

PAR. 2. The same rule shall be applicable for communes, unions of communes, and other public bodies which are carriers of the insurance. The highest administrative authority shall specify the officials for the execution hereof.

ARTICLE 893.

PARAGRAPH 1. The Imperial Insurance Office shall be informed concerning the administrative authorities.

PAR. 2. The administrative authorities already authorized shall continue to act.

ARTICLE 894.

If the Empire, the federal State, the commune, the union of communes, or another public corporation, is a carrier of the insurance, then the following articles are not applicable:

The provisions relating to changes in the status of the accident association (arts. 635 to 648);

The provisions in regard to the constitution of the accident association contained in articles 649 to 720;

The regulations concerning supervision (arts. 722 to 725);

The provisions concerning the collection of funds as well as concerning the procedure in regard to assessments and collections (arts. 731 to 776);

The provisions in regard to transferring amounts to the Post Office Department in articles 781 and 782;

The provisions concerning branch institutes (arts. 783 to 842);

The provisions in regard to additional institutions (arts. 843 to 847);

The provisions in regard to accident prevention and supervision in articles 848 to 887, and 889 to 891;

The penal provisions in articles 908 to 910, 912 and 913.

ARTICLE 895.

Whoever designates the administrative authorities shall also issue the administrative regulations in order to execute the provisions of this section.

ARTICLE 896.

The administrative provisions may extend the insurance obligation to establishment officials with annual earnings of more than 5,000 marks [$1,190], in so far as the latter are not exempt from insurance according to article 554.

ARTICLE 897.

PARAGRAPH 1. If the administrative authority in order to prevent accidents wants to issue regulations with penal provisions covering insured persons, then not less than three representatives of the insured persons shall be called in for discussion and advice.

PAR. 2. A representative of the authority shall conduct the discussion; he may not be the immediate official superior of the representatives just mentioned.

PAR. 3. In so far as the matter concerns the issuing of regulations which are intended to assure the safe operation of railways, the above is not applicable.

SECTION ELEVEN.—LIABILITY OF UNDERTAKERS AND THEIR REPRESENTATIVES.

I. LIABILITY TO INJURED PERSONS AND SURVIVORS.

ARTICLE 898.

The undertaker (art. 633) is liable to injured persons and their survivors (art. 588 to 594) even if they have no claim to a pension, according to other legal provisions for the compensation of injuries which an accident of the kind designated in articles 544 and 546 has caused, only if it has been determined by the penal decision that he has purposely caused the accident. The liability of the undertaker is then limited to the amount by which such compensation exceeds that of the accident insurance.

ARTICLE 899.

The same rule is applicable in the case of compensation claims of injured persons and their survivors against the authorized agents or representatives of the establishment and against the overseers of the establishment and of the workmen.

ARTICLE 900.

The claim may also be made valid if on account of the death, absence, or of a cause other than that which rests in the person of the one obligated, no penal decision has been delivered.

ARTICLE 901.

PARAGRAPH 1. If the regular court must decide in regard to such claims, then the court is bound by the decision which has been delivered in a procedure according to this law, as to the following points:

Whether an accident which entitles to compensation has occurred;

To what extent and by what carrier of the insurance, the compensation is to be granted.

PAR. 2. The regular court shall suspend its procedure until the decision in the procedure according to this law has been rendered. This, however, does not apply to arrests and acts for the time being.

ARTICLE 902.

Instead of the person entitled to the compensation, the undertakers or persons of like status according to article 899, from whom the injured person or his survivors demand compensation for injuries, may apply for the determination of the compensation according to this law, and may also make use of legal remedies. The lapse of time limits which, without their fault, have expired, shall not act against them; this shall not apply for time limits of procedure in so far as the undertaker or person of like status according to article 899 shall himself conduct the procedure.

II. LIABILITY TO ACCIDENT ASSOCIATIONS, SICK FUNDS, ETC.

ARTICLE 903.

PARAGRAPH 1. If it is determined by a penal decision that the undertaker or person of like status according to article 899 has caused the accident either purposely or negligently through failure to observe such care to which they are especially obligated on account of their office, occupation, or industry, then they are liable for everything which the communes, poor law unions, sick funds, miners' associations, miners' funds, substitute funds, and funeral or other relief funds have had to expend because of the accident according to the law or constitution. Instead of the pension the capitalized value thereof may be demanded.

PAR. 2. They are also liable—

If it has been determined by the penal decision that in the direction or execution of a building operation they have acted contrary to the generally recognized rules in building work;

If the accident has been caused through such violations.

PAR. 3. The provisions of article 900 in regard to liability without determination by penal decision are also applicable for these claims.

PAR. 4. Undertakers and persons of equal status according to article 899 are liable to the accident association for its expenditures, even if there has been no determination by penal decision.

ARTICLE 904.

PARAGRAPH 1. For accidents caused by the persons named below, the following bodies are liable as undertakers, if the persons so named have performed duties belonging to them; the bodies liable and the persons for whom liability attaches are—

1. A stock company, mutual insurance association, a registered cooperative society, a guild, or other legal person, for a member of the directorate;
2. A company with limited liability, for a business director;
3. Any other business corporation, for a partner who is authorized to conduct the business;
4. In the case of the liquidation of a business corporation, a mutual insurance association, a registered cooperative society, a guild, or other legal person, for one of the liquidators.

PAR. 2. This provision is correspondingly applicable for the Empire, federal States, communes, unions of communes, as well as other corporations, foundations, and institutions created by public law.

ARTICLE 905.

PARAGRAPH 1. If the accident has been brought about negligently through failure to observe that care, to which the undertaker and persons of equal status (art. 899) because of their office, occupation, or industry are especially obligated, then the general meeting of the accident association may refrain from making a claim for the accident association.

PAR. 2. The constitution may transfer this right to the directorate.

ARTICLE 906.

PARAGRAPH 1. If the directorate desires to make a claim for reimbursement it shall communicate in writing its decision to the person liable to make reimbursement. The latter may then appeal within one month to the general meeting of the accident association.

PAR. 2. If the person to make reimbursement appeals within this time to the general meeting of the accident association, suit may be instituted only after the decision of the latter, and in other cases only after the expiration of one month with a notification.

ARTICLE 907.

PARAGRAPH 1. Such claims lapse in 18 months after the day on which the penal decision has become effective. In those cases in which no penal decision is required they lapse within one year after the legal and effective determination of the obligation to compensation on the part of the accident association, but at the latest within 5 years after the accident. If the general meeting of the accident association is appealed to, such action shall act as a stay to the expiration. A new period of expiration may only then begin, if the general meeting of the accident association has made a decision or if the appeal has been decided otherwise.

PAR. 2. The provisions of article 901, paragraph 1, in regard to the regular courts being bound to follow the decision, are also applicable for these claims.

SECTION TWELVE.—PENAL PROVISIONS.

ARTICLE 908.

Under a proviso that the undertaker was aware of the inaccuracy of the statements or must have known under the circumstances, the directorate of the accident association may impose fines upon employers up to 500 marks [$119]—

1. If on the basis of the law or of the constitution they have transmitted reports for the computation of contributions or premiums or for the classification in risk classes which contained actually incorrect statements;
2. If in the report of the establishment (art. 653) a later date is stated as the time of the opening of the establishment or of the beginning of the insurance obligation than that date on which the establishment was opened or became subject to the insurance.

ARTICLE 909.

The directorate of the accident association may in addition impose fines not to exceed 300 marks [$71.40] on the undertakers if they do not comply in due time with the obligation—

1. To report the establishment and changes in the establishment, as also to post placards in the establishment;
2. To keep and preserve wage lists (wage books);
3. To transmit wage reports and the reports for the computation of premiums;
4. To comply with the provisions of the constitution in regard to the shutting down of an establishment and to a change of the undertaker.

ARTICLE 910.

PARAGRAPH 1. The superior insurance office (decision chamber) shall decide finally upon appeals against the determination of fines by the directorate of the accident associations.

PAR. 2. The decision chamber shall decide, though not finally, in the cases mentioned in articles 870 and 887 as well as of article 891 in connection with these provisions.

ARTICLE 911.

Undertakers or their employees who purposely deduct contributions or premiums, either wholly or partly, from earnings or deliberately bring about the same, shall be punished with fines up to 300 marks [$71.40] or with imprisonment, if a severer penalty has not been incurred according to other legal provisions.

ARTICLE 912.

Whenever on the basis of this law the undertaker is liable to penalties the following persons shall be considered as having the same status:

1. The members of the directorate, if a stock company, mutual insurance association, registered cooperative society, guild, or other legal person is an undertaker;
2. The business manager, if an association with limited liability is an undertaker;
3. All copartners personally liable, provided that they are not excluded from representation, if another form of business corporation is the undertaker;
4. The legal representatives of undertakers not legally competent to transact business, or partially so, as well as liquidators of a business corporation, a mutual insurance association, a registered cooperative society, a guild, or any other legal person.

ARTICLE 913.

PARAGRAPH 1. The undertaker may transfer the duties laid upon him on the basis of this law to business managers; in so far as the matter does not relate to arrangements founded on regulations for the prevention of accidents, he may also transfer the duties to a supervisory staff or other officials of his establishment.

PAR. 2. If such representatives act in violation of those regulations which impose a penalty upon the undertaker, then the penalty shall apply to them. In addition to them the employer may be penalized in the following cases:

1. If the violation has taken place with his knowledge;
2. If in the selection or supervision of his representatives he has not observed the required care in the transaction; in these cases no other penalty than a fine may be imposed upon the undertaker.

PAR. 3. If the fines which have been imposed by the directorate of the accident association can not be collected from the representatives, then the employer is liable in their place. His liability is to be specified in fixing the penalty.

ARTICLE 914.

In the case of insured persons, the fines imposed upon them shall be paid into the sick fund if the person penalized belongs at the time of the violation to a sick fund; otherwise, it shall be paid into the general local sick fund of his place of employment, and where such fund does not exist, then into the rural sick fund. The same shall also apply to fines which administrative authorities impose upon insured persons (art. 897).

PART TWO.

AGRICULTURAL ACCIDENT INSURANCE.

SECTION ONE.—SCOPE OF THE INSURANCE.

ARTICLE 915.

PARAGRAPH 1. Agricultural establishments (art. 161) are subject to the accident insurance.

PAR. 2. The Imperial Insurance Office may specify what branches of industry are considered as agricultural establishments.

ARTICLE 916.

PARAGRAPH 1. If the agricultural undertaker carries on work on his own land or on the land of others for his own agricultural establishment without transferring this work to another undertaker, then the following shall be considered as parts of the agricultural establishment:

Current repairs to buildings which are used in agricultural operations;

The cultivation of the ground and other building work for the establishment, especially the making or maintenance of roads, dams, canals, and watercourses for this purpose.

PAR. 2. If because of public and lawful obligation, the agricultural undertaker carries on work for the communes for the making or maintenance of buildings, roads, dams, canals, and watercourses, as an undertaker, and these obligations rest upon him as an agriculturalist, then they are to be considered as part of his agricultural establishment.

ARTICLE 917.

PARAGRAPH 1. In the meaning of article 915, paragraph 1, gardening and the care of parks and gardens as well as cemetery establishments shall be considered as agricultural establishments in so far as they are not subject to industrial accident insurance.

PAR. 2. Small home gardens, and ornamental gardens which are not worked regularly, and to a considerable extent with a special labor force and whose products are consumed principally by the household are not considered as agricultural establishments.

ARTICLE 918.

The insurance is applicable also to undertakings which the agricultural undertaker carries on in addition to his farm but in economic dependence thereon (agricultural subsidiary establishments). In this class belong especially those establishments which either wholly or principally are intended for the following purposes:

1. To prepare or work up products of the farm of the undertaker;
2. To supply the needs of his farm;
3. To procure or to work up the products of the earth from his land.

ARTICLE 919.

Article 918 is not applicable to—

1. Mines, salt works, concentrating works, shipyards, metallurgical and metal-working plants, yards for the preparation of building materials as well as to establishments which manufacture or work up as a business either explosives or explosive articles;
2. Establishments which the Imperial Insurance Office has declared to have the status of factories—
   - Because of their considerable scope;
   - Because of their special equipment with machinery;
   - Because of the number of their industrial workmen.

ARTICLE 920.

Establishments or activities in inland navigation and rafting are only included in the insurance of the principal agricultural establishments if they do not extend beyond the scope of local traffic.

ARTICLE 921.

Those activities which because of their nature are subject to the industrial accident insurance in a branch institute or an insurance association shall be insured in that agricultural accident association to which the undertaker having the activities of the same kind belongs: *Provided*, That these other activities are of greater extent than the former.

ARTICLE 922.

Article 542 is applicable to the assignment of agricultural and industrial establishments of the same undertaker to the accident association.

ARTICLE 923.

PARAGRAPH 1. In establishments which according to articles 915 to 922 are subject to the insurance, the following persons shall be insured against accidents (industrial accidents): *Provided*, That they are employed in these establishments:

1. Workmen;
2. Establishment officials whose annual earnings as compensation do not exceed 5,000 marks [$1,190].

PARAGRAPH 2. Helpers, journeymen, and apprentices are considered as workmen.

PAR. 3. In distinction from the usual agricultural workmen, that person shall be considered as an artisan who requires special technical skill for his position. This applies to foresters, gardeners, gardeners' helpers, millers, brickmakers, wheelwrights, blacksmiths, carpenters, distillers, engineers, firemen, as well as to helpers and journeymen who have gone through a period of technical training and education. The persons made subject to the agricultural accident insurance according to article 922 shall also be considered as artisans. The constitution shall determine who in addition to these shall be considered as artisans.

PAR. 4. Acts contrary to regulations do not exclude the assumption of a trade accident.

ARTICLE 924.

The insurance shall include household and other service which the insured persons while principally employed in the establishment or in the insured activities (arts. 920 and 921) are called on to perform by the undertaker or his authorized agent.

ARTICLE 925.

The constitution may extend this obligation to the following:

1. Undertakers whose annual earnings do not exceed 3,000 marks [$714] or who regularly employ for compensation either no one or at most two persons subject to the insurance;
2. Establishment officials whose annual earnings as compensation exceed 5,000 marks [$1,190].

ARTICLE 926.

The constitution may extend the insurance of undertakers who are principally employed in agriculture to such household activities as are connected with agriculture.

ARTICLE 927.

PARAGRAPH 1. Undertakers may insure themselves against the consequences of trade accidents if they do not have more than 3,000 marks [$714] of annual earnings or if they regularly employ for compensation either no one or at most two persons subject to the insurance. In this case, article 926 is also applicable.

PAR. 2. The constitution may admit them also to self-insurance if they have more than 3,000 marks [$714] of annual earnings or if they regularly employ for compensation at least three persons subject to the insurance.

ARTICLE 928.

The provisions of articles 925 to 927 in regard to the insurance of undertakers are also applicable to their consorts employed in the establishments.

ARTICLE 929.

The following articles from the industrial accident insurance are correspondingly applicable:

1. Article 552 for the insurance of other employees in the establishment and of strangers in the establishment.
2. Article 553 in regard to the consequences of nonpunctual payment of contributions in the case of voluntary insurance.
3. Article 554 for the insurance of military persons and of officials.

SECTION TWO.—BENEFITS OF THE INSURANCE.

ARTICLE 930.

Articles 555 to 562 from the industrial accident insurance are correspondingly applicable concerning the object of the insurance.

ARTICLE 931.

PARAGRAPH 1. In the computation of the pensions for establishment officials and artisans, articles 563 to 566 and 568 are applicable in regard to the annual earnings.

PAR. 2. In addition articles 932 to 935 and 941 are applicable in this connection.

ARTICLE 932.

If the customary number of working-days in the year is so small that those employed in the establishment regularly perform work elsewhere for compensation, then in the cases mentioned in articles 565 and 566, for the number of days short of 300 working-days the local wage rate which at the time of the accident has been determined upon (arts. 149 to 152) for the place of employment of the injured person shall be added to the amount computed according to articles 565 or 566.

ARTICLE 933.

Articles 564 to 566, 568, and 932 are to be correspondingly applied if the annual earnings are composed of specified amounts for at least weekly periods.

ARTICLE 934.

If the annual earnings of the establishment officials or artisans do not amount to 300 times the local wage rate (art. 932), then the annual earnings shall be assumed to be 300 times the latter.

ARTICLE 935.

In the case of injured young persons the pension, which shall be computed according to the local wage, shall be fixed in that age class in which the injured person belonged at the time of the accident, and is to be correspondingly increased as he reaches the higher age class.

ARTICLE 936.

PARAGRAPH 1. In the case of workmen who are not included in articles 931 to 935, the compensation shall be fixed according to the annual earnings which the agricultural workmen at the time of the accident received on an average through agriculture and other gainful activities in the place of employment.

PAR. 2. The average annual earnings shall be determined by the superior insurance office after a hearing of the local insurance offices; the earnings shall be determined separately for men and women, for injured persons under 16 years of age, for those from 16 to 21 years of age, and for those who are over 21 years of age. Injured persons under 16 years of age (young persons) may, according to article 150, paragraph 2, be still further separated into youths and children. The separation may also be made for agriculture and for forestry.

PAR. 3. Before rendering its opinion, the local insurance office shall give a hearing to representatives of the injured persons engaged principally in agriculture.

ARTICLE 937.

In the case of injured young persons, the compensation shall be fixed in the first place according to the average annual earnings for that age class in which the accident was sustained, and is to be correspondingly increased as the injured persons reach the higher age class.

ARTICLE 938.

The pensions for undertakers, as well as for other persons employed in the establishment and strangers in the establishment (art. 929, No. 1), shall be based on the average annual earnings for agricultural workmen (art. 936) which at the time of the accident had been determined for the seat of the establishment. The constitution may provide otherwise.

ARTICLE 939.

In so far as the annual earnings exceed 1,800 marks [$428.40] the excess shall in every case be computed at only one-third.

ARTICLE 940.

If the accident occurs to a person already permanently partially disabled whose compensation is to be computed according to the average annual earnings (art. 936), then of the latter only that part shall be used as a basis which corresponds to the percentage of the earning capacity before the accident.

ARTICLE 941.

For those persons already permanently partially disabled, the local wage shall be considered as only that fraction of the local wage which corresponds to the degree of the earning capacity before the accident.

ARTICLE 942.

PARAGRAPH 1. The commune must grant sick benefits according to article 182 to an injured workman during the first 13 weeks after the accident. In the place of the sick benefits, the commune may grant hospital treatment and house money according to articles 184 and 186. With the consent of the injured person it may also grant care according to article 185, paragraph 1, and deduct therefor not more than one-fourth of the pecuniary sick benefit. The local wage of the place of employment (par. 2) shall be used as a basic wage.

PAR. 2. The commune upon whom the obligation rests is that of the place of employment (arts. 153 to 156); the seat of the establishment, however, is not to be considered as the place of employment if the injured person was employed in a forestry establishment which extended over the districts of several communes.

ARTICLE 943.

PARAGRAPH 1. The commune is not compelled to grant sick benefits according to article 942 in the following cases:

1. In so far as the injured person has a claim for similar relief on the basis of the sickness insurance or other legal provisions:
2. If he is exempt from insurance on account of benefits which are of value equal to those of the sickness insurance;
3. So long as he remains in a foreign country.

PAR. 2. If the parties obligated in the first place do not provide the sick benefits to the injured person then the commune shall take over the same. The expenditures of the commune on this account must be reimbursed by those upon whom the obligation rests.

PAR. 3. In such cases reimbursement for sick care, and also for treatment in the hospital, shall be three-eighths of the basic wage according to which the pecuniary sick benefit of the person entitled thereto is computed, and for maintenance in the hospital one-half of the basic wage. If no other basic wage is specified, then the local wage of the place of employment shall be used (art. 942, par. 2).

ARTICLE 944.

PARAGRAPH 1. Upon demand of the commune, the sick benefits must be taken over by the rural sick fund, and in the absence of such, by the general local sick fund for the place of residence or of abode,.

PAR. 2. The commune must reimburse the expenditures thereof. In such cases article 943, paragraph 3, is applicable if a higher expenditure is not proved.

ARTICLE 945.

PARAGRAPH 1. The accident association may itself take over the course of treatment (art. 942).

PAR. 2. The commune, or subject to articles 1513 and 1516, the parties otherwise obligated (art. 943, par. 1, Nos. 1 and 2) must reimburse the accident association in so far as the injured person could claim benefits from them. In such cases article 943, paragraph 3, is applicable.

ARTICLE 946.

PARAGRAPH 1. If, in the case of injured persons who are not insured against sickness, either on the basis of the imperial insurance or in a miners' sick fund and also have no claim for sick benefits according to article 942, it is to be feared that an accident compensation will have to be granted, then the accident association may, even before the expiration of the first 13 weeks after the accident, inaugurate a course of treatment in order to remove the consequences of the accident or to alleviate the same.

PAR. 2. The association may place the injured person in a medical institution. In such cases article 597, paragraphs 2 to 4, are applicable.

PAR. 3. With his consent the association may grant an injured person a course of treatment according to article 185, paragraph 1.

PAR. 4. The injured person may demand from the accident association proper reimbursement for the earnings which he lost on account of the course of treatment.

ARTICLE 947.

The accident association may determine the consequences of the accident within the first 13 weeks, even without granting the injured person a course of treatment; article 581, paragraph 1, is here correspondingly applicable.

ARTICLE 948.

Articles 582, 583, paragraph 1, and 584 are applicable in the case of granting accident compensation before the expiration of the 13 weeks for the two cases mentioned herewith, and in such cases article 583, paragraph 1, is also applicable for the benefits of the commune (art. 942); these are—

In the case of the transfer of the claim for pecuniary sick benefit;

In the case of the accident association being bound by the attitude taken by the carrier of the sickness insurance.

ARTICLE 949.

PARAGRAPH 1. If the matter does not concern a claim for reimbursement, the local insurance office decides finally in controversies between the commune and the sick fund on account of the taking over of the sick benefits (art. 944).

PAR. 2. Controversies concerning claims for reimbursement arising out of articles 943 to 945 shall be decided by judgment procedure.

ARTICLE 950.

PARAGRAPH 1. Articles 586 to 596 of the industrial accident insurance are applicable as regards compensation for damages in fatal cases.

PAR. 2. However, the annual earnings shall be fixed according to the provisions which are applicable in agricultural accident insurance in the case of physical injury but with the exception of articles 940 and 941. Article 587 is applicable only if the compensation is not computed according to the average annual earnings already determined (art. 936).

ARTICLE 951.

The accident association may grant treatment in a medical institution in place of medical treatment and compensation (art. 930 in connection with art. 558). In such cases articles 597, paragraphs 2 to 5, and 598 are applicable.

ARTICLE 952.

In addition the provisions of the industrial accident insurance are applicable in regard to the following:

House care (*Hauspflege*) (art. 599);

Special relief in case of placing in a medical institution (*Heilanstalt*) (art. 602);

Inauguration of a new course of medical treatment (arts. 603 and 604);

Change of the medical institution (art. 605);

Injury to the injured person due to improper conduct in violation of orders relating to the course of treatment (art. 606);

Placing of the pensioner in a home for invalids (*Invalidenhaus*) or similar institution (art. 607).

ARTICLE 953.

PARAGRAPH 1. With the approval of the higher administrative authority, the communes or unions of communes, may by legal enactment specify that pensions up to two-thirds of their amount shall not be paid in cash, but in kind. This applies only to pensioners who reside in the district: *Provided*, That these persons or those supporting them receive no wages as agricultural workers, but according to local custom are paid either wholly or partly in kind: *And provided*, That a mutual agreement is reached concerning the payment in kind instead of the pensions.

PAR. 2. The value of the commodities shall be determined by the higher administrative authority according to the average prices.

ARTICLE 954.

PARAGRAPH 1. The payments in kind shall be granted by the commune of the place of residence. The claim to the compensation shall be transferred to the commune to the extent of the value of the payments in kind.

PAR. 2. The local insurance office (decision committee) shall decide controversies between the commune and the beneficiary. The superior insurance office decides finally upon appeal.

PAR. 3. If the claim to the pension has been transferred to the commune finally then the accident association shall notify the post office department.

ARTICLE 955.

In addition, the provisions of industrial accident insurance are applicable concerning the following:

The new determination of the pension on account of changes in conditions (arts 608 to 611);
The maturity of benefits and duration of receipt of pension (arts. 612 and 613);
The right to benefits after the death of the beneficiary (art. 614);
The suspension of compensation (art. 615);
Settlements in the form of capital sums (arts. 616 to 618);
The relinquishment of a claim for reimbursement and legal rights (arts. 619 and 620);
The transferring, assigning, execution of the claims, and deductions from the claims (arts. 621 and 622).

SECTION THREE.—CARRIERS OF THE INSURANCE.

I. ACCIDENT ASSOCIATIONS AND OTHER CARRIERS OF THE INSURANCE.

ARTICLE 956.

PARAGRAPH 1. The accident associations as carriers of the insurance shall include the undertakers of the insured establishments.

PAR. 2. The accident association shall be formed according to territorial districts. They shall include all establishments of the branches of industry in the district for which they have been created.

PAR. 3. Those accident associations which have been created according to article 18 of the law of May 5, 1886 (Reichs-Gesetzblatt, p. 132) concerning accident and sickness insurance of persons employed in agricultural and forestry establishments shall retain their present status subject to the changes permissible according to article 960.

ARTICLE 957.

PARAGRAPH 1. The Empire or a Federal State is a carrier of the insurance if the establishment is conducted for its account, unless the establishments according to article 109 of the law mentioned in article 956 belong to the accident associations created for them.

PAR. 2. Article 625, paragraphs 2 to 5, of the industrial accident insurance is applicable for the subsequent entry into the accident association, rewithdrawal, and reentrance therein.

ARTICLE 958.

The undertaker of an establishment is the person for whose account the establishment is conducted.

ARTICLE 959.

For establishments which comprise parts, or subsidiary establishments of various branches of industry, article 631, paragraph 1, of the industrial accident insurance applies correspondingly—

For the apportionment of several establishments of the same undertaker to one accident association, article 632 of the industrial accident insurance is applicable;

For the compensation of accidents in establishments of third parties, article 634 of the industrial accident insurance is applicable.

II. CHANGES IN THE STATUS OF THE ACCIDENT ASSOCIATION.

ARTICLE 960.

PARAGRAPH 1. For changes in the status of the accident associations, articles 635 to 646 of the industrial accident insurance are applicable.

PAR. 2. If the Federal Council gives its approval, the constitution for the new accident association shall be decided upon according to articles 20, 21, and 24, paragraph 3, of the law of May 5, 1886 (Reichs-Gesetzblatt, p. 132).

ARTICLE 961.

The same provisions as in the case of the industrial accident insurance (arts. 647 and 648) apply in case of the dissolution of the accident associations.

SECTION FOUR.—ORGANIZATION.

I. MEMBERSHIP AND RIGHT TO VOTE.

ARTICLE 962.

Every undertaker is a member of the accident association if his establishment belongs to the branches of industry covered by it, and the establishment has its seat in the district of the association.

ARTICLE 963.

PARAGRAPH 1. All the pieces of ground of an undertaker, all the agricultural operations of which are served by common farm buildings, shall be considered as a single establishment.

PAR. 2. If the agricultural establishment extends over the districts of several communes, then it shall have its seat in that commune where the common farm buildings or the buildings serving its principal purpose are located. The undertaker may make an agreement with the communes concerning a different seat for the establishment.

ARTICLE 964.

PARAGRAPH 1. Several pieces of ground of a forestry establishment, belonging to one undertaker which are subject to the same immediate business management (forestry district), shall be considered as a single establishment.

PAR. 2. Pieces of ground of forestry establishments of several undertakers shall be considered as separate establishments even if together they are subject to the same business management.

PAR. 3. If a forestry establishment extends over a district of several communes, then its seat shall be considered to be in the locality where the largest part of the forestry area is located. The undertaker may agree with the communes in regard to a different seat for the establishment.

ARTICLE 965.

The membership begins with the opening of the establishment or with the beginning of its insurance obligation; the beginning of the membership of the Empire and the federal States is regulated according to article 957.

ARTICLE 966.

If the members or their legal representatives do not possess civic rights, they shall have no right to vote.

II. REGISTRATION OF THE ESTABLISHMENTS.

ARTICLE 967.

PARAGRAPH 1. Each newly opened establishment must be reported by the communal authority to the directorate of the accident association through the channels of the local insurance office.

PAR. 2. The directorate shall examine whether the establishment belongs to the accident association.

PAR. 3. If the directorate refuses the membership application, it shall communicate the fact to the local insurance office, and the latter may appeal for a decision of the Imperial Insurancc Office; upon application of the accident association such step must be taken.

III. CHANGES IN THE UNDERTAKERS—CHANGES IN THE ESTABLISHMENT AND IN ITS MEMBERSHIP IN THE ACCIDENT ASSOCIATION.

ARTICLE 968.

The undertaker must report to the directorate of the accident association each change in the person for whose account the establishment is conducted within the period specified in the constitution. The undertaker remains liable for the contributions up to the end of the fiscal year in which the change was reported without thereby releasing his successor from liability.

ARTICLE 969.

Articles 665 to 673 of the industrial accident insurance are correspondingly applicable in regard to the undertaker's duty of reporting changes in the establishment which are of importance for his membership in the accident association; the same articles apply in regard to the transfer and dissolution of the establishment as well as to the transfer of the burden of accidents and of a part of the reserves.

ARTICLE 970.

PARAGRAPH 1. The obligation to report changes in the establishment which are of importance in connection with the assessment and the procedure in this connection, are to be regulated in the constitution.

PAR. 2. Articles 999 and 1000 are correspondingly applicable in opposing the decision which the accident association has issued on the basis of changes reported or which it has issued of its own accord.

IV. CONSTITUTION.

ARTICLE 971.

The accident associations shall regulate their internal administration and order of business by a constitution which shall be decided upon at the general meeting of the accident association.

ARTICLE 972.

The constitution must specify—

1. The name, the seat, and the district of the accident association;
2. The composition, rights, and duties of the directorate;
3. The form of the declaration of the decisions of the directorate, as well as its signature on behalf of the accident association; the manner of making decisions in the directorate and its representation as to third parties;
4. The creation of the committee of the accident association to decide upon protests (arts. 1000 and 1023);
5. The composition and calling of the general meeting of the accident association and its method of arriving at decisions;
6. The right to vote of members and the examination of their credentials;
7. Representation of the accident association as against the directorate;
8. The rates for loss of earnings and for traveling expenses which are to be granted to the representatives of the insured persons (art. 21);
9. The standard for the assessment of the contributions and providing that the latter are not assessed like taxes, the procedure in valuation and classification.

10. The procedure in case of the opening of new establishments, changes in establishments and changes in the person of the undertaker.
11. The consequences of shutting down the establishment or of a change in the person of the undertaker, especially as to the guaranteeing of his contributions, if he shuts down the establishment;
12. The drawing up, examining, and accepting the annual balance sheet.
13. The administrative action relating to the issuance of the regulations containing provisions for the prevention of accidents and for the supervision of the establishments.
14. The procedure in reporting for membership and separation from membership of the insured undertakers, and other persons insured according to article 925, No. 2, and article 929, No. 1, as well as the amount and ascertainment of the annual earnings of the undertaker;
15. The method of publishing notices;
16. The provisions as to the amendment of the constitution;
17. Who shall be considered as artisans.

ARTICLE 973.

The provisions of the industrial accident insurance are applicable in regard to the following subjects:

Divisions into sections and appointment of district agents (arts. 678, Nos. 2 and 3, and art. 679);

Power of the directorate of the accident association to impose penalties (art. 680);

Drawing up the constitution (arts. 681 to 683).

ARTICLE 974.

PARAGRAPH 1. If the constitution has been approved, the directorate of the accident association must publish the name and seat of the accident association and the districts of the sections in the Reichsanzeiger or, if the district of the accident association does not extend beyond the territory of a federal State, in the official gazette of the highest administrative authority.

PAR. 2. The same rule applies in the case of changes.

V. ADMINISTRATIVE BODIES OF THE ACCIDENT ASSOCIATION.

ARTICLE 975.

PARAGRAPH 1. Articles 685 to 687 and 689 of the industrial accident insurance are applicable as regards the administrative bodies of the accident association.

PAR. 2. The Imperial Insurance Office is, however, not authorized, in the place of the accident association, to issue regulations for the prevention of accidents nor to appoint technical supervisory officials.

ARTICLE 976.

PARAGRAPH 1. The general meeting of the accident association is composed of representatives of the members.

PAR. 2. The general meeting must be called into session at least once a year.

ARTICLE 977.

PARAGRAPH 1. For a specified time the general meeting may transfer the auditing and acceptance of the annual balance sheet and the business of the directorate either wholly or partly to autonomous bodies. In such cases the agreement of the latter and approval of the highest administrative authority is necessary.

PAR. 2. The rights and duties of the administrative bodies of the accident association shall then be transferred to the autonomous bodies.

VI. EMPLOYEES OF THE ASSOCIATIONS.

ARTICLE 978.

The provisions of the industrial accident insurance (arts. 690 to 705) are applicable as regards employees of the accident association who are not State or communal officials and, in the case of the transfer of business, to salaried business managers.

VII. FORMATION OF THE RISK CLASSES.

ARTICLE 979.

Articles 706 to 710 and 712 of the industrial accident insurance shall be applicable as regards the formation of risk classes (arts. 990 to 1004 and 1008). Accident associations whose establishments show but little difference in regard to the risk of accident may decide not to make use of risk classes. Such decision shall require the approval of the Imperial Insurance Office. It may be withdrawn if a list of accidents for the separate branches of the industry discloses important differences.

VIII. DIVISION AND JOINT CARRYING OF THE BURDEN.

ARTICLE 980.

PARAGRAPH 1. The constitution may provide that the sections shall defray the compensation up to three-fourths for accidents which occur in their districts.

PAR. 2. The amounts which thereby become a burden upon the sections shall be assessed upon their members according to the amount of their contributions.

ARTICLE 981.

If the assessments are computed on the basis of the land tax, and thereby the sections are burdened with more than double the amount which is actually expended for them in the form of compensations and costs of administration, then the general meeting of the accident association may decide to apportion the excess upon all the sections according to the land tax.

ARTICLE 982.

The provisions of the industrial accident insurance (arts. 714 to 716) are applicable for the joint carrying of the burden.

IX. ADMINISTRATION OF THE ASSETS.

ARTICLE 983.

The Imperial Insurance Office may issue regulations regarding the safe-keeping of securities in so far as the State officials or autonomous bodies do not conduct the business.

ARTICLE 984.

The provisions of the industrial accident insurance (arts. 718 to 721) are applicable in regard to the following:

The investment of the assets;

The reports on the business and accounting operations.

SECTION FIVE.—SUPERVISION.

ARTICLE 985.

PARAGRAPH 1. Articles 722 and 723 of the industrial accident insurance are applicable with regard to the supervision of the accident associations.

PAR. 2. This supervision does not extend to the survice conditions of State authorities or autonomous bodies which administer accident associations.

ARTICLE 986.

For accident associations subject to the supervision of the State insurance office, the latter takes the place of the Imperial Insurance Office in regard to the following matters:

Controversies in regard to the assignment of several establishments to one accident association, according to articles 922 and 959 in connection with article 632;

Controversies between the accident association and the Empire or a federal State in regard to the distribution of the assets in the cases mentioned in article 957 in connection with article 625, paragraph 5;

Changes in the status of the accident associations (arts. 960 and 961);

Membership of the establishment in the accident association and changes in the membership (arts. 967 and 969 in connection with art. 673, pars. 1 and 3);
Approval and drawing up of the constitution (art. 973);
Taking over the business of the accident association (art. 975);
Service regulations for the employees of the accident association as well as controversies regarding service conditions (art. 978);
Risk tariffs (art. 979);
Joint carrying of the cost of compensation (art. 982);
Administration of the assets of the accident association in the cases mentioned in articles 983 and 984 in combination with articles 718, 719, paragraph 1, and 720;
Collecting the contributions (arts. 1011 in connection with art. 736, pars. 2 and 3) as well as the accumulation the reserve (art. 1013);
Covering the claims of the post office department (art. 1028 in connection with arts. 781 and 782);
Additional institutions of the accident association (art. 1029);
Accident prevention and supervision in the cases mentioned in articles 1030 in connection with articles 848 to 889 and 890, paragraph 1, but excluding the cases mentioned in article 883;
Reporting of the administrative authorities (art. 1033 in connection with art. 893).

ARTICLE 987.

PARAGRAPH 1. If the matter concerns the cases mentioned below, then the Imperial Insurance Office shall decide, if an accident association which is subordinated to another State insurance office or to the Imperial Insurance Office, is affected. The State insurance office shall then transmit the documents to the Imperial Insurance Office. These cases are the following:
Controversies in regard to the assignment of several establishments to one accident association according to articles 922 and 959 in connection with article 632;
Changes in the status of the accident association in the cases mentioned in article 960;
Membership of the establishment in the accident association and changes in the membership (arts. 967 and 969 in connection with art. 673, pars. 1 and 3);
Joint carrying of the cost of compensation (art. 982).
PAR. 2. If the matter concerns any additional common institutions of several accident associations (art. 1029), then the Imperial Insurance Office shall remain competent for these additional institutions if all of the accident associations participating are not subordinated to the same State insurance office.

SECTION SIX.—PAYMENT OF THE COMPENSATION—RAISING OF THE FUNDS.

I. PAYMENTS THROUGH THE POST OFFICE DEPARTMENT.

ARTICLE 988.

The provisions of the industrial accident insurance (arts. 726 to 729) are applicable in regard to the payments through the Post Office Department.

II. RAISING OF THE FUNDS.

1. General provisions.

ARTICLE 989.

The accident associations must raise the funds to cover their expenditures by means of membership contributions which shall cover the expenditures of the preceding fiscal year.

2. Standard of the labor need and of the risk classes.

ARTICLE 990.

The contributions shall be assessed according to the following:
The estimated average need for human labor (labor need) and its value in accordance with this law.
The earnings of the establishment officials and artisans as well as the annual earnings of undertakers in so far as the services of such insured persons are not already included in the estimate.
The extent of the risk of accident (risk classes).

ARTICLE 991.

PARAGRAPH 1. For each undertaker the annual average number of working days shall be estimated which are required to operate his establishment; in this connection, the number of workmen in the establishment and the duration of their employment shall be considered.

PAR. 2. The constitution may provide that household and other service shall be reckoned separately in this connection.

ARTICLE 992.

PARAGRAPH 1. In making the estimates, the list of undertakers, which was drawn up on the creation of the accident association (art. 34 of the law of May 5, 1886, Reichs-Gesetzblatt, p. 132) or drawn up at a later time, is to be used as a basis.

PAR. 2. Changes in the establishment are to be considered.

ARTICLE 993.

PARAGRAPH 1. Permanently employed workmen are to be reckoned as having 300 working days, while females employees are to be computed on the basis of the proportion of their earnings to the average annual earnings of males.

PAR. 2. The services of establishment officials, artisans, and undertakers and their relatives not insured, are not to be included in the estimate.

PAR. 3. The constitution may make other provisions.

ARTICLE 994.

In the case of establishments in which at the most five insured persons are employed regularly on full time, the constitution may specify uniform contributions according to a standard which it shall determine.

ARTICLE 995.

The administrative bodies of the accident association shall arrange for the estimates and shall classify the establishments in risk classes. The constitution must specify the details in this connection.

ARTICLE 996.

PARAGRAPH 1. The communal authority may compel the undertakers to give information concerning the conditions which are decisive for the estimates of the labor need by the imposition of fines up to 100 marks [$23.80].

PAR. 2. If the employer does not supply the information in due time or completely, then the communal authority shall correct the list according to their own knowledge.

ARTICLE 997.

Within two weeks the undertakers must furnish to the administrative bodies of the accident association upon demand such further information concerning conditions in their establishment and of their workmen as is required for the estimate and classification.

ARTICLE 998.

PARAGRAPH 1. The accident association shall communicate to the communal authorities lists containing the following:

The establishments belonging to it in the commune;

The important principles and the result of the estimate and classification.

PAR. 2. The communal authority must hold these lists open for inspection of persons affected for two weeks, and shall make known the beginning of the period in the manner customary in the locality.

ARTICLE 999.

Within one month after the inspection period the undertakers may make protest to the administrative bodies of the accident association which have made the estimate or classification on the following points:

Because their establishment has been included in the list or has not been included;

Because the labor need has been estimated or the establishment has been classified, or against the manner thereof.

ARTICLE 1000.

PARAGRAPH 1. The administrative bodies of the accident association shall communicate the decision in writing to the undertaker in regard to his protest.

PAR. 2. The undertaker may further protest to the committee of the accident association (art. 972, number 4) and may make an appeal against the decision of the latter to the superior insurance office.

ARTICLE 1001.

In making the first estimate and classification, the members of the committee of the accident association may not participate.

ARTICLE 1002.

Within the period in which the risk tariff is to be verified the classification and estimate are also to be verified (art. 979 in connection with art. 708).

ARTICLE 1003.

Even before the regular reexamination the accident association may again estimate the labor need of an establishment or reclassify the establishment if it develops that the reports of the undertaker were incorrect.

ARTICLE 1004.

For the new estimates and new classifications, articles 990 to 1001 are correspondingly applicable.

3. Standard of the tax rate.

ARTICLE 1005.

PARAGRAPH 1. If the State legislation does not exclude the relatives of the undertaker from the insurance and the standard of the labor need and the risk classes is unsuitable, then the constitution may provide that the contributions of the members of the accident association may be collected through supplementary charges to the direct State or communal taxes.

PAR. 2. For the adoption of such a provision a majority of at least two-thirds in the general meeting of the accident association is required. The constitution must in such a case also specify the manner in which those members are to be charged for the cost of the accident association who do not have to pay the taxes used as a basis, either for their whole establishment or a part thereof.

ARTICLE 1006.

The constitution may specify the uniform minimum contributions which shall not be greater than 1 mark [23.8 cents] annually, or, if the undertakers themselves are insured, or are included in the insurance (arts. 925 to 928), not more than 2 marks [47.6 cents] annually.

ARTICLE 1007.

PARAGRAPH 1. Special supplementary charges shall be collected together with the contributions on account of establishment officials and artisans. The constitution shall specify the details in this connection. It must also regulate notification of employment and threaten violations with penalties.

PAR. 2. The same applies in the case of undertakers if, for the computation of their pensions, an amount higher than the average annual earnings of agricultural workmen is used as a basis.

ARTICLE 1008.

PARAGRAPH 1. Contributions are to be graded according to the accident risk in the case of establishments mentioned in article 917, agricultural subsidiary establishments and other establishments which, according to their nature, should be subject to the industrial accident insurance and, in addition, the activities of the kind mentioned in article 921.

PAR. 2. The constitution shall regulate the prerequisites in this connection as well as the amount of these contributions and the procedure.

ARTICLE 1009.

PARAGRAPH 1. If the constitution specifies a land tax as the standard, then the constitution may impose the payment of the supplementary charges upon those persons who by law are subject to the land tax for the parcels of ground of establishments belonging to the association or would be subject to it if the parcels of ground had not been exempt from the tax.

PAR. 2. If, accordingly, a person other than the undertaker pays the contribution, then the latter must refund the payment.

PAR. 3. In controversies concerning such repayments the local insurance office shall decide in whose district the establishment subject to the insurance has its seat. Upon appeal the superior insurance office decides finally.

4. Other standards.

ARTICLE 1010.

PARAGRAPH 1. If the prerequisites mentioned in article 1005, paragraph 1, are present the constitution may provide for another suitable standard for the collection of the contributions, such, for instance, as the following:

The kind of cultivation;

Area in connection with the land tax;

Net return which the ground as such, together with the buildings and outfit belonging thereto and serving the same purpose according to its previous economic use under the customary system of farming, may be made to yield continuously on an average;

The productive value which is obtained by multiplying the above return by 25.

PAR. 2. Articles 996 to 1009 are here correspondingly applicable. The constitution shall specify the details.

5. General provisions.

ARTICLE 1011.

The provisions of the industrial accident insurance are applicable as to the following:

As to the purpose for which contributions may be collected and the funds may be applied (art. 736);

As to advances upon contributions as well as to advance payment of contributions (arts. 737 to 739).

ARTICLE 1012.

PARAGRAPH 1. Undertakers of small establishments with slight accident risk, which employ for compensation persons subject to the insurance only exceptionally, may be either wholly or partly exempt from contributions by the constitution which shall at the same time specify the procedure for the ascertaining of such undertakers.

PAR. 2. With the approval of the highest administrative authority, the general meeting of the accident association may also enact the above.

PAR. 3. In controversies between the accident association and the undertaker in regard to exemption from the insurance, the superior insurance office shall decide finally.

ARTICLE 1013.

PARAGRAPH 1. The accident associations must accumulate a reserve.

PAR. 2. Until the reserve equals twice the amount of the annual expenditures each year, 2 per cent shall be added to the current assessment. The constitution may provide for a higher amount.

PAR. 3. Articles 745 to 747 of the industrial accident insurance apply correspondingly as regards the reserve.

III. PROCEDURE IN ASSESSMENTS AND COLLECTIONS.

ARTICLE 1014.

Article 749, paragraph 1, of the industrial accident insurance applies correspondingly to the assessment of the expenditures upon members.

ARTICLE 1015.

When the assessment of the contributions is based on the tax, the tax for that period shall be used as a basis, for which the contributions are assessed.

ARTICLE 1016.

PARAGRAPH 1. When the assessment of the contribution is made according to the labor need and risk classes, each member who has in the preceding year employed establishment officials or artisans, must transmit a report to the directorate within six weeks after the expiration of the fiscal year, stating the amount actually received by each of them during this time or how much is to be included on his account.

PAR. 2. The constitution may permit a summary wage list as described in article 750, paragraph 3.

PAR. 3. The directorates of the accident association or of the sections shall themselves draw up or complete the wage list for members who do not transmit the same in due time or completely.

ARTICLE 1017.

PARAGRAPH 1. In the computation of the contributions, the following shall be used:

For an establishment official and artisan, that compensation which he is actually receiving in the establishment or which is to be reckoned for him;

For one working day of a workman, the three hundredth part of the average annual earnings as determined for adult males over 21 years of age at the seat of the establishment.

For the undertaker, the same annual earnings if the constitution does not provide otherwise.

PAR. 2. In so far as the average annual earnings exceed 1,800 marks [$428.40], the excess shall be computed at only one-third.

ARTICLE 1018.

If in making the estimates the services of establishment officials and artisans are included, according to the constitution (art. 993, par. 3), then only that amount of the earnings of these insured persons shall be included which is in excess of the average annual earnings of the workman.

ARTICLE 1019.

In the cases mentioned in articles 994 and 1006 with consideration of the uniform contributions, the directorate of the accident association shall compute the contributions which are apportioned to each undertaker for the purpose of covering the total annual expenditure, and shall draw up an assessment roll.

ARTICLE 1020.

PARAGRAPH 1. Extracts from the assessment roll are to be transmitted to each communal authority for the members belonging to its district with the request to collect the contributions after deduction of the collected advances and to send the whole sum within four weeks to the directorate of the accident association.

PAR. 2. The accident association shall on this account pay a compensation, the amount of which shall be determined by the highest administrative authority.

ARTICLE 1021.

PARAGRAPH 1. The extract from the assessment roll must contain statements which will permit the person obligated to make the payments to verify the computation of the contribution.

PAR. 2. The communal authority shall make the extract available to the parties affected for inspection for a period of two weeks, and shall make known the beginning of this period in the manner customary in the locality. Instead of leaving the extract open for inspection, it may be transmitted to the parties affected.

PAR. 3. If the constitution provides that voluntary insurance shall be discontinued if contributions have not been paid in due time, and if it provides that a new application for membership shall be without effect until arrears of contributions have been paid (art. 929, number 2), then attention shall be called thereto either in the extract or in the communication.

ARTICLE 1022.

Articles 755 and 756 of the industrial accident insurance are applicable in regard to a new determination of the contribution after the extract from the assessment roll has been communicated. A new determination is also permissible if on account of incorrect statements of the undertaker, the labor need at a later time has had to be newly estimated (art. 1003).

ARTICLE 1023.

PARAGRAPH 1. Within two weeks after the expiration of the period or after communication has been made (art. 1021, par. 2) the undertaker may make protest to the directorate of the accident association against the computation of the contribution; but he remains obligated to make a provisional payment. In such cases article 757, paragraph 2, shall be applicable.

PAR. 2. The classification and the estimate may, however, not be contested. Further procedure shall be regulated by article 1000. In such cases article 759 shall be correspondingly applicable in regard to the appeal.

ARTICLE 1024.

If after the protest, appeal, or complaint, the contribution is reduced, then article 760 is applicable concerning the covering of difference and the balancing of the excess payment.

ARTICLE 1025.

If it later develops that a contribution paid without protest was either wholly or partly collected without right, then articles 1023 and 1024 shall be correspondingly applicable.

ARTICLE 1026.

If the commune can not prove that the contribution was not actually collected or that compulsory collection was without result, than it shall be liable for the contributions and must forward them at the same time.

ARTICLE 1027.

Article 762 is correspondingly applicable in regard to the raising of contributions which can not be collected. Such contributions are to be reimbursed to the commune which has already forwarded them.

IV. TRANSFERRING AMOUNTS TO THE POST OFFICE DEPARTMENT.

ARTICLE 1028.

The provisions of the industrial accident insurance are applicable as regards the transmission of the amounts to the Post Office Department (arts. 777 to 782).

SECTION SEVEN.—ADDITIONAL INSTITUTIONS.

ARTICLE 1029.

The provisions of the industrial accident insurance (arts. 843 to 847) are applicable as regards additional institutions of the accident association.

SECTION EIGHT.—ACCIDENT PREVENTION—SUPERVISION.

ARTICLE 1030.

PARAGRAPH 1. Articles 848 to 857, 859 to 889, 890, paragraph 1, and 891, paragraph 2, of the industrial accident insurance are correspondingly applicable as regards prevention of accidents and supervision.

PAR. 2. The representatives of the insured persons shall be elected by the insurance representatives of those local insurance offices whose district is covered by the accident association or the section. However, only such insurance representatives of the local insurance offices are eligible as have been selected as representatives of the insured persons and who belong within the sphere of the agricultural insurance.

ARTICLE 1031.

PARAGRAPH 1. If State authorities or autonomous bodies administer the accident associations, they shall summon for discussion and for decision as to regulations for the prevention of accidents a like number of employers and representatives of the insured persons.

PAR. 2. The representatives of the employers shall be selected by lot, drawn by the chairman from the number of the employers' associates engaged in agriculture who are

attached to the superior insurance offices of the district of the accident association, and the selection shall be made in a session of the autonomous bodies or of the authority.

PAR. 3. For these representatives articles 861 and 863 shall be correspondingly applicable; for them and their substitutes, the provisions of articles 16 to 21 and 24 shall also be applicable as far as concerns representatives of the employers.

ARTICLE 1032.

Undertakers are required to permit the members of the administrative bodies of the accident association who have been designated for this purpose by their accident association to enter their places of work during working hours. Article 879 is here correspondingly applicable.

SECTION NINE.—ESTABLISHMENTS OF THE EMPIRE AND OF THE STATES.

ARTICLE 1033.

PARAGRAPH 1. If the Empire or a federal State is a carrier of the insurance, then articles 892, 893, and 895 to 897 of the industrial accident insurance shall be applicable.

PAR. 2. In this case, the following provisions of the agricultural accident insurance shall not apply:

The provisions in regard to changes in the status of the accident associations (arts. 960 and 961);

The provisions concerning the constitution contained in articles 962 to 983 and 984 in connection with articles 718 to 720;

The provisions in regard to supervision (arts. 985 to 987);

The provisions relating to raising funds as well as concerning the procedure of assessment and collection (arts. 989 to 1027);

Article 1028 in connection with articles 781 and 782 of the provisions in regard to transmitting amounts to the Post Office Department;

The provisions in regard to additional institutions (art. 1029);

Article 1030 in connection with articles 848 to 887, 889, 890, paragraph 1, and 891, paragraph 2, as well as articles 1031 and 1032 of the provisions in regard to accident prevention and inspection.

Articles 1043, 1044, and 1045 in connection with articles 910, 912, and 913 of the penal provisions.

PAR. 3. In place of the constitution, the administrative regulations shall specify who shall be considered as artisans.

SECTION TEN.—REGULATION BY STATE LEGISLATION.

ARTICLE 1034.

The State legislation may specify how far and under what conditions the two steps named below may be taken. Additional provisions of the constitution as regards the first case below are thereby not excluded. These two cases are—

1. How far and under what conditions undertakers, including consorts, may be insured;
2. How far and under what conditions other relatives of the undertaker shall be exempt from insurance.

ARTICLE 1035.

PARAGRAPH 1. The State legislation may also either wholly or partly exempt undertakers from the payment of contributions on account of the slight risk of accident or the small scope of the establishment, and shall specify the procedure for the ascertaining of such undertakers.

PAR. 2. In controversies between the accident association and the undertaker in regard to such exemption, the superior insurance office shall decide finally.

ARTICLE 1036.

The State legislation may also prescribe higher reserves (art. 1013).

ARTICLE 1037.

The State legislation may regulate the following five subjects at variance with the provisions of this law specified below. The following are these five subjects:

The delimitation of the accident associations;
The constitution and administration of associations;
The procedure in case of change in the establishment;
The standard for the assessment of contributions;
The procedure in assessment and collection.

The provisions which may be departed from are the following:

Articles 5 to 7 in regard to administrative bodies;
Articles 12, 13, 14, paragraph 2, sentence 2, articles 17 to 21, 23, and 24 in regard to honorary offices;
Articles 28, paragraphs 1 and 2, and article 29, paragraphs 1 and 2, in regard to assets;
Article 967 in regard to reporting of establishments;
Articles 968, 969, in connection with articles 665, 666, 667, paragraph 2, and articles 669 to 672 as well as article 970 in regard to change of the undertaker, to reporting changes in the establishment and in regard to additional procedure;
Articles 971 to 974 in regard to the constitution.
Article 975, paragraph 1, in connection with articles 685, 686, Nos. 3 and 4, and 687 to 689, and also article 976, paragraph 1, and article 977, paragraph 1, in regard to the administrative bodies of the accident association.
Article 978 in regard to employees of the accident association.
Article 979 in regard to the formation of risk classes.
Articles 980 to 982 in regard to dividing and the joint carrying of the cost.
Articles 990 to 1010 in regard to raising the funds.
Articles 1014 to 1027 in regard to the procedure in assessment and collection.

In addition the State legislation may change various provisions of this law and enact the following:

Designate the administrative bodies which shall administer the accident association and take cognizance of the rights and duties which this law imposes upon directorates.
Transfer the investigation of the circumstances of the accident to the local insurance office.

ARTICLE 1038.

If the State legislation contains provisions based upon the authorization of article 1037, it shall also specify the following:

1. The representation of the accident association in the investigation of accidents (art. 1562).
2. The administrative body with which the claim for compensation shall be filed (arts. 1546, 1548, 1584, and 1585) and which shall determine the compensation and issue the decision or final decision thereon (arts. 1568, 1569, 1583, and 1606).
3. The administration of the assets (art. 25, par. 2, arts. 26, 27, 983 and 984 in connection with arts. 718 to 720).
4. The persons, excepting the technical supervisory officials and the special experts (art. 1030 in connection with arts. 875, 880, 881), who are subject to the penal provisions concerning the violation of trade secrets (arts. 142 to 144).

ARTICLE 1039.

If by any State legislation use is made of the right to delimit accident associations, then in the case of changes in the status of the accident associations the highest administrative authority shall take the place of the Federal Council if the establishments affected all have their seat in the federal State.

ARTICLE 1040.

PARAGRAPH 1. If an accident association created under the State law is to be dissolved on account of insolvency, and its establishments apportioned to other accident associations whose establishments all have their seats in the federal State, then the highest administrative authority of that State shall be competent as regards dissolution and apportionment.

PAR. 2. Upon dissolution of the accident association its rights and duties are assumed by the federal State.

ARTICLE 1041.

PARAGRAPH 1. If a federal State has joined its territory, either wholly or partly, to the accident association of a second State with the consent thereof, and the latter has made use of the right granted in article 1037, then for this accident association the provisions of the State laws of the designated second State shall be applicable.

PAR. 2. If the State included has also made use of its rights under article 1037, then the provisions of the federal State in which the accident association has its seat shall be applicable. The two State governments shall agree on the seat of the association.

PAR. 3. If the Federal Council dissolves an accident association of this kind as being insolvent, then the rights and duties of the association shall be transferred to the Federal States affected according to the proportion of the contributions which were paid in the last fiscal year.

PAR. 4. If the federal States affected can not agree on these matters, the Federal Council shall decide the matter upon appeal.

SECTION ELEVEN.—LIABILITY OF UNDERTAKERS AND THEIR REPRESENTATIVES.

ARTICLE 1042.

PARAGRAPH 1. The provisions of the industrial accident insurance (arts. 898 to 907) are applicable as regards the liability of undertakers and their representatives.

PAR. 2. Claims for reimbursement for damages suffered through accident, which the insured person has according to law for the first 13 weeks after the accident, are retained if the injured person does not have a claim to the benefits of sickness insurance from a sick fund, a miners' sick fund, or a substitute fund, or is exempt from insurance because of being entitled to benefits of equal value.

SECTION TWELVE.—PENAL PROVISIONS.

ARTICLE 1043.

PARAGRAPH 1. The directorate of the accident association may impose upon undertakers fines up to 500 marks [$119] if the four classes of reports specified below contain statements of facts which the undertakers knew to be incorrect or under the circumstances must have been aware of the fact. These are the following:

1. Lists of salaries or wages which must be handed in according to article 1016 for the purpose of the assessment of the contribution;
2. Explanations which must be transmitted to the competent officials of the accident association for the purpose of apportioning the establishment to the risk classes;
3. Reports which they have furnished according to article 996 for estimating the labor need or according to article 997 in regard to conditions of their establishment and their labor force;
4. Reports or notices which they have furnished according to article 968 concerning the change of the undertaker or according to articles 969 and 970 concerning changes in the establishment.

PAR. 2. Paragraph 1 is correspondingly applicable as regards reports, explanations, and information which undertakers must give for the apportionment of the contributions under the standard specified in article 1010.

ARTICLE 1044.

The directorate of an accident association may in addition impose fines up to 300 marks [$71.40] upon undertakers if they do not in due time comply with the following obligations:

1. Transmit the statements designated in article 1043, paragraph 1, numbers 1, 3, and 4 and paragraph 2;
2. Comply with the provisions of the constitution in regard to the shutting down of establishments and changes of undertakers.

ARTICLE 1045.

The following provisions of the industrial accident insurance are correspondingly applicable:

Article 910 concerning the protest against the determination of fines by the directorates of the accident association;

Article 911 concerning the deduction of the contributions from the earnings;

Article 912 in regard to the punishment of persons of equal status with undertakers;
Article 913 concerning penalties in the case of transfer of the obligations of undertakers;
Article 914 concerning the funds to which the fines accrue.

PART THREE.

NAVIGATION ACCIDENT ASSOCIATION.

Section One.—Scope of the Insurance.

Article 1046.

The following persons are insured against accident:
1. If they are employed upon seagoing vessels as masters, seamen, engineers, stewards, or belonging to the ship's crew in another capacity (seamen); masters are included, however, only if they are employed for a compensation;
2. If they are employed upon German seagoing vessels in inland harbors or upon inland canals or streams without belonging to the ship's crew, provided they are not otherwise insured against accident upon the basis of the imperial insurance;
3. If they are employed in inland establishments conducting floating docks and similar operations as well as in German establishments for pilot service, for the rescue or salvage of men or commodities in case of shipwreck, for the watching, lighting, or maintenance of waters for the service of marine traffic.

Article 1047.

A sea voyage (art. 163) includes the following:
1. A voyage upon the sea outside of the limits specified in article 1 of the administrative provisions of November 10, 1899, in connection with article 25 of the flag law of June 22, 1899;
2. Voyages upon bays, inclosed bays (*Haffen*), and shoals of the sea.

Article 1048.

Voyages upon other waters which are connected with the sea are not considered as sea voyages, even if made by seagoing vessels.

Article 1049.

The crews of vessels which are used for fishing of the kind described in article 1048, within the limits determined by the Federal Council, are also insured against accident.

Article 1050.

If it is doubtful whether establishments are subject to the navigation accident insurance, then the Imperial Insurance Office shall decide thereon after a hearing of the directorate of the accident association.

Article 1051.

The navigation accident insurance is not applicable to establishments engaged in marine navigation and other establishments included in articles 1046 and 1049 which, because they are important parts of another establishment, are subject to the industrial accident insurance (art. 540, No. 2).

Article 1052.

Paragraph 1. The insurance applies to accidents during operations, inclusive of accidents which occur during these operations and which are caused by natural events (industrial accidents).
Par. 2. Acts contrary to regulations do not exclude the assumption of a trade accident.

Article 1053.

The insurance is in force for the time from the beginning to the end of the service relation, including transportation from land to vessel and from vessel to land.

ARTICLE 1054.

The insurance also covers the following:

1. Accidents during operations to persons insured according to articles 1046 and 1049 sustained upon a vessel subject to the navigation accident insurance upon which they are employed, but to whose crew they do not belong.
2. Accidents to German seamen during free return transportation, or transportation upon German seagoing vessels which is granted to them in accordance with the Commercial Code or Navigation Code (Reichsgesetzblatt, 1902, p. 175), or according to the law relating to the obligation of vessels in the merchant marine as to returning seamen to home ports (Reichsgesetzblatt, 1902, p. 212).

ARTICLE 1055.

In the case of change of flag, the service relation is regarded as ended on that date on which the insured person may ask for his discharge. The change of flag is to be communicated to the insured persons. The communication must be entered in the ship's log by the captain, and the insured persons must attest the entry.

ARTICLE 1056.

Excluded from insurance are accidents sustained by the insured person in the following cases:

1. While he is not on board contrary to orders;
2. While he is on land on leave for his private affairs.

ARTICLE 1057.

The insurance also includes the following:

1. Household and other service to which the insured persons who are principally engaged in the establishment have been assigned by the undertaker or by his representatives.
2. Service rendered by insured persons in connection with the rescue or salvage of men or goods.

ARTICLE 1058.

The undertakers of industrial establishments are also insured in the following cases:

1. In sea navigation, if the seagoing vessel has not more than 50 cubic meters [65.40 cubic yards] total capacity, and has neither the appurtenances of larger seagoing vessels nor is arranged to be driven by steam or other machine power.
2. Fishing on the high seas with vessels which the Federal Council has not already, in accordance with article 1, paragraph 5, of the law of July 13, 1887 (Reichs-Gesetzblatt, p. 329) placed under the accident association as being steamers engaged in deep-sea fishing or as being herring luggers.
3. Fishing of the kind designated in article 1049.

PAR. 2. The insurance obligation of the undertaker exists only if he belongs to the crew of the vessel, and in the establishment there is regularly employed for compensation either no one or at the most two persons subject to the insurance.

ARTICLE 1059.

The constitution may also extend the insurance obligation to shipowners who belong to the crew of the vessel, and when in the establishment there is regularly employed for compensation either no one or at the most two persons subject to the insurance.

ARTICLE 1060.

The proprietor of a seagoing vessel is the shipowner (*Reeder*), or if a shipowning firm (*Reederei*) exists, then the firm itself (art. 489 of the Commercial Code).

ARTICLE 1061.

Such undertakers of insured establishments which are not already insured according to these provisions, and pilots who carry on their business on their own account, can insure themselves against the consequences of industrial accidents.

ARTICLE 1062.

The provisions of articles 1058, 1059, and 1061 in regard to the insurance of the undertaker are also applicable for consorts employed in the establishment.

ARTICLE 1063.

The insurance covers the annual earnings up to 5,000 marks [$1,190], inclusive The constitution may extend the insurance beyond this sum.

ARTICLE 1064.

The following articles of the industrial accident insurance are correspondingly applicable:

1. Article 552 for the insurance of other employees in the establishment and strangers in the establishment.
2. Article 553 for the consequences of failure to make prompt payment of contributions in the case of voluntary insurance.
3. Article 554 for the insurance of persons in military service and of officials.

SECTION TWO.—BENEFITS OF THE INSURANCE.

ARTICLE 1065.

PARAGRAPH 1. Articles 555 to 562 of the industrial accident insurance are correspondingly applicable as regards the benefits of the insurance; contraventions of article 93, paragraphs 2 and 3 and of articles 95 to 97 of the Navigation Code are not considered as misdemeanors in the meaning of article 557, paragraph 1.

PAR. 2. In so far as there is a legal obligation of the shipowner to provide sick relief, then the obligation to provide compensation by the accident association shall begin when the obligation of the shipowner ends.

ARTICLE 1066.

In computing the pension of insured persons who belong to the accident association (art. 1118) the annual earnings are to be determined according to articles 1067 to 1079, 1081 and 1082.

ARTICLE 1067.

With the exception of persons employed in establishments engaged in towing and lighterage, the average rate of monthly cash wages (*Heuer*) at the time of the accident granted on the mustering in or registering, multiplied by 11, shall be considered as the annual earnings of persons who belong to the crew of seagoing vessels; to this amount shall be added two-fifths of the average cash value of the board provided for able-bodied seamen on seagoing vessels.

ARTICLE 1068.

PARAGRAPH 1. The average monthly rate shall be determined by the imperial chancellor after a hearing of the highest administrative authority on a uniform basis for the whole German coast, and it shall be fixed according to the wage rates which able-bodied seamen on German vessels have received during the last three calendar years in which the German naval forces have not been mobilized.

PAR. 2. For those classes of the ship's crew who in addition to the wage or salary have a regular supplementary income, the average money value of such income shall also be included in fixing the average rate above referred to.

ARTICLE 1069.

The average rate shall be established separately for able-bodied seamen, steersmen, engineers, and other ship's officers, and for masters. It may also be graded further according to the type of the vessels or according to classes of the ship's crew.

ARTICLE 1070.

In the case of persons of the ship's crew for whom no special average has been determined, three-fourths of the rate determined for able-bodied seamen shall be used.

ARTICLE 1071.

The determination of the average rates shall be reexamined at least every five years.

ARTICLE 1072.

After the expiration of the seventeenth year of life, the pension is to be increased to the average rate for ordinary seamen, and after the expiration of the nineteenth year of life to the rate for able-bodied seamen: *Provided*, That it had been computed according to a lower average rate.

ARTICLE 1073.

In so far as the annual earnings exceed 1,800 marks [$428.40] the excess shall be computed at only one-third.

ARTICLE 1074.

PARAGRAPH 1. Articles 563 to 566 and 568 of the industrial accident insurance are applicable as concerns the annual earnings of the other persons insured according to article 1046 who belong to the accident association.

PAR. 2. In this connection, articles 1075 to 1078 and 1082 are also applicable.

ARTICLE 1075.

If the customary number of working days of operation in the year is so small that those employed in the establishment regularly perform work elsewhere for compensation in addition, then in the cases specified in articles 565 and 566 the number of working days necessary to make up the 300 shall be added to the amount computed according to article 565 or 566, using the local wages which at the time of the accident have been determined for the place of employment of the insured person (arts. 149 to 152).

ARTICLE 1076.

Articles 1074 and 1075 are correspondingly applicable if the annual earnings are composed of the amounts specified at not less than weekly rates.

ARTICLE 1077.

If the annual earnings as computed according to articles 1074 to 1076 do not equal 300 times the local wage rate (art. 1075), then 300 times the local wage rate shall be considered as the annual earnings.

ARTICLE 1078.

The pension for injured young persons, which shall be computed according to the local wage rate, shall be fixed at first according to the age class in which they were when the accident occurred, and is to be correspondingly increased for them as they go into the higher wage class.

ARTICLE 1079.

The constitution must contain provisions in regard to obtaining the annual earnings of undertakers and of pilots as well as other persons employed in the establishment, and strangers in the establishment who belong to the accident association (art. 1064, No. 1). In so far as the annual earnings exceed 1,800 marks [$428.40], the excess shall here also be computed at only one-third.

ARTICLE 1080.

In computing the pension of insured persons who belong to a branch institute (art. 1120) the annual earnings shall be taken as equal to 300 times the local wage rate which was established at the time of the accident for the seat of the establishment. In the case of young persons the pensions shall be increased as specified in article 1078.

ARTICLE 1081.

If the accident occurs to a person already permanently partially disabled whose pension is based on the average monthly rate as above determined (art. 1068), then only that part shall be used as a basis which corresponds to the degree of earning power previous to the accident.

ARTICLE 1082.

The local wage rate for persons already permanently partially disabled shall be considered as only that part thereof which corresponds to the degree of earning power previous to the accident.

ARTICLE 1083.

If the injured person is insured against sickness on the basis of the imperial insurance or in a miners' sick fund, then articles 573 to 576 and 578 of the industrial accident insurance shall be correspondingly applied for relief during the first 13 weeks after the accident. In such cases contravention of article 93, paragraphs 2 and 3, and articles 95 to 97 of the Navigation Code are not to be considered as misdemeanors in the meaning of article 557, paragraph 1.

ARTICLE 1084.

If the persons insured under articles 1046 and 1049 are not insured on the basis of the imperial insurance or in a miners' sick fund and also have no legal claim against the shipowner for sick relief during the first 13 weeks after the accident, then the undertaker must grant relief during this time. This does not apply in the case of insured persons whose annual earnings exceed 2,500 marks [$595].

ARTICLE 1085.

PARAGRAPH 1. The amount of relief to be provided by the undertaker shall be based on the following:

1. In the case of seamen according to articles 553 and 553a of the Commercial Code and articles 59 to 61 of the Navigation Code.
2. In other cases according to article 577, paragraph 1, and article 578 of the industrial accident insurance.

PAR. 2. Article 576 is correspondingly applicable as regards a claim for reimbursement of the undertaker against the accident association.

PAR. 3. The employer or carrier of the other relief under article 577, paragraphs 2 and 3, shall take the place of the undertaker.

ARTICLE 1086.

PARAGRAPH 1. The accident association can assume either wholly or partly the benefits to be paid by the undertaker.

PAR. 2. In the case of seamen the undertaker must reimburse the expenses of the accident association. In such case reimbursement for the cost of medical treatment (art. 553 of the Commercial Code and art. 59 of the Navigation Code) shall be one-half of the amount which would have to be expended for institutional care at the seat of the competent section.

PAR. 3. In the case of persons other than seamen article 579, paragraph 1, sentences 2 and 3, shall be applicable to the reimbursement.

PAR. 4. This provision shall be correspondingly applicable if in the cases mentioned in article 1085, paragraph 3, in connection with article 577, paragraphs 2 and 3, the employer or carrier of the other relief takes the place of the undertaker.

ARTICLE 1087.

PARAGRAPH 1. In the case of injured persons who belong to a branch institute relief for the first 13 weeks after the accident shall not be based according to articles 1083 to 1086.

PAR. 2. In the case of such injured persons the commune in whose district the establishment has its seat must grant sick benefits according to article 182. In the place of sick benefits it may grant hospital care and house money according to articles 184 and 186; with the consent of the injured person it may also grant care according to article 185, paragraph 1, and deduct up to one-fourth of the pecuniary sick benefits therefor. The local wage rate of the seat of the establishment shall be used as basic wage.

ARTICLE 1088.

PARAGRAPH 1. The commune is not required to provide sick benefits according to article 1087 in the following cases:

1. In so far as the injured person has a claim for similar relief on the basis of the sickness insurance or other legal provisions.
2. If he is exempt from insurance on the basis of benefits which are of equal value with the sickness insurance.
3. As long as he remains in a foreign country.

PAR. 2. If those first obliged to do so do not provide the injured person with the sick benefits, then the commune shall assume such provision. The expenditures for this purpose must be repaid to the commune by those obliged to make such provision.

PAR. 3. In such cases the compensation for the sick care as well as in the case of treatment in a hospital shall be equal to three-eighths of the basic wage according to which the pecuniary sick benefits of the beneficiary are computed, and in the case of maintenance in a hospital one-half of the basic rate. If no other basic wage is specified, then the local wage rate of the seat of the establishment shall be used.

ARTICLE 1089.

PARAGRAPH 1. Upon demand of the commune the general local sick fund, or, in the absence of such, the rural sick fund of the place of residence or abode, shall take upon itself the providing of the sick benefit.

PAR. 2. Expenditures on this account shall be reimbursed by the commune. In such cases if a higher expenditure is not shown, article 1088, paragraph 3, shall be applicable.

ARTICLE 1090.

PARAGRAPH 1. The branch institute may take upon itself the provision of medical treatment (art. 1087).

PAR. 2. The commune, or under the reservation of articles 1513 and 1516 those otherwise obliged to do so (art. 1088, par. 1, Nos. 1 and 2), shall reimburse the branch institute in so far as the injured person had a claim upon them for benefits. In such cases article 1088, paragraph 3, is applicable.

ARTICLE 1091.

PARAGRAPH 1. The relief of the injured person may be transferred by the branch institute to the commune, which is obliged to provide sick benefits for the first 13 weeks, or to the sick fund (art. 1089) until the end of the course of treatment.

PAR. 2. The branch institute must reimburse the commune or the sick fund for the expenditure on this account. In such cases article 1088, paragraph 3, shall be applicable unless a higher expenditure is shown.

ARTICLE 1092.

PARAGRAPH 1. If, in the case of persons who are not insured against sickness on the basis of the imperial insurance or with a miners' sick fund, and also do not have a claim for sick relief according to article 1087, it is to be feared that an accident compensation will have to be provided for, the accident association may inaugurate a course of treatment even before the expiration of the first 13 weeks after the accident in order to remove the consequences of the accident or to alleviate the same.

PAR. 2. The association may place the insured person in a medical institution. In such cases article 597, paragraphs 2 to 4, is applicable.

PAR. 3. The association, with his consent, may grant the injured person care according to article 185, paragraph 1.

PAR. 4. The injured person may demand from the accident association a proper reimbursement for the earnings which he has lost on account of the course of treatment.

ARTICLE 1093.

Even without granting the injured person a course of treatment, the accident association may investigate the consequences of the accident within the first 13 weeks. Article 581, paragraph 1, is here correspondingly applicable.

ARTICLE 1094.

Articles 582 and 583, paragraph 1, and article 584 are applicable in regard to—

The granting of the accident pension before the expiration of the 13 weeks.

The transfer of the claim for pecuniary sick benefit before the expiration of the 13 weeks.

The liability of the accident association for the attitude of the carrier of the sickness insurance before the expiration of the 13 weeks.

In such cases article 583, paragraph 1, is also applicable for the payments of the commune (art. 1087).

ARTICLE 1095.

In fatal cases, the following must in addition be granted:
1. A funeral benefit according to articles 1096 and 1097.
2. A pension to the survivors beginning with the date of death.

ARTICLE 1096.

PARAGRAPH 1. The funeral benefit shall be granted in the following cases:
1. If the shipowner does not have to bear the cost of burial according to article 554 of the Commercial Code or article 64 of the Navigation Code (*Seemannsordnung*);
2. If the deceased was buried on land.

PAR. 2. Article 203 is here correspondingly applicable.

ARTICLE 1097.

PARAGRAPH 1. The funeral benefit shall consist of the following amount:
1. When paid by the accident association,
   a. For seamen, two-thirds of the monthly average rate (arts. 1067 to 1073);
   b. For other persons, the fifteenth part of the annual earnings. This amount shall be computed in the same manner as in the case of bodily injury; however, in such cases, article 1082 does not apply;
2. When paid by the branch institute, 20 times the local wage rate according to article 1080.

PAR. 2. In all cases, however, the funeral benefit shall be at least 50 marks [$11.90].

ARTICLE 1098.

PARAGRAPH 1. The pension to the survivors shall consist of a fraction of the annual earnings (arts. 1067 to 1073, 1097 par. 1, No. 1b and art. 1080).

PAR 2. In other cases, articles 588 to 596 of the industrial accident insurance are applicable in this respect; in such cases remaining on board a German ship, shall be considered the same as an abode in Germany.

ARTICLE 1099.

PARAGRAPH 1. If the insured person has gone to sea on a vessel, then his survivors also have a claim to the pension if the vessel has sunk or according to articles 682 and 683 of the Commercial Code is regarded as missing, and during one full year after its sinking or after the last news of the vessel, no trustworthy information concerning the existence of the person missing has been received.

PAR. 2. The local insurance office may demand a solemn assurance from the survivors that they have received no other information regarding the existence of the missing person than that declared.

ARTICLE 1100.

PARAGRAPH 1. In such cases, the pension shall begin on the day of the sinking of the vessel, or if it is missing, one-half a month after the date up to which the latest news of the vessel reaches (art. 53 of the Navigation Code).

PAR. 2. The claim to further receipt of the pension shall cease if it is proved that the person believed to be dead is still alive.

ARTICLE 1101.

PARAGRAPH 1. If on account of a previous accident, the annual earnings (art. 1097, par. 1, No. 1b and art. 1080) are smaller than the wages received before the earlier accident, then the previous pension is to be added to the annual earnings; in such cases, however, that amount may not be exceeded which, as annual earnings, was used as the basis for the previous pension.

PAR. 2. This shall not apply if the pension was computed according to the monthly average as determined above (art. 1068).

ARTICLE 1102.

PARAGRAPH 1. The accident association may grant treatment in a medical institution in place of sick treatment and pension (art. 1065 in connection with art. 558). In such cases, article 597, paragraphs 2 to 5, and article 598 are applicable.

PAR. 2. With the consent of the injured person, the accident association may grant free medical treatment and maintenance on board a vessel instead of treatment in a medical institution.

ARTICLE 1103.

Article 599 is applicable in regard to home care.

ARTICLE 1104.

PARAGRAPH 1. If the accident association, according to article 1086, assumes the benefits of the undertaker, then in place of the relief designated in articles 1084 and 1085, it may grant care and maintenance in a hospital as well as grant house money according to articles 186 and 577, paragraph 1, in the cases mentioned in article 1085, paragraph 1, No. 2. In this connection, article 1102, paragraph 2, shall be correspondingly applicable.

PAR. 2. In the case of seamen, the undertaker must reimburse that amount for treatment and care which would have to be expended for treatment in a medical institution at the seat of the competent section.

PAR. 3. For persons other than seamen, the reimbursement mentioned in article 579, paragraph 1, sentences 2 and 3, is to be used.

PAR. 4. This provision is to be correspondingly applicable when in the cases mentioned in articles 1085, paragraph 3, in connection with article 577, paragraphs 2 and 3, the employer or carrier of the other relief takes the place of the undertaker.

PAR. 5. With the consent of the insured person, the accident association may grant care according to article 185, paragraph 1, and deduct up to one-fourth of the pecuniary sick benefit therefor.

ARTICLE 1105.

Article 602 is applicable for special relief, when the injured person is placed in a medical institution.

ARTICLE 1106.

PARAGRAPH 1. The accident association may transfer the fulfillment of its duties toward the injured person and his relatives, to the undertaker who had or still has the duty of providing relief for the first weeks after the accident, and these duties may be transferred to the end of the medical treatment to any extent which the association deems advisable. This does not apply if the establishment is insured in the branch institute.

PAR. 2. The association must reimburse the undertaker for expenses arising herefrom. As reimbursement, there must be granted, computed on the basis of the year for the benefits which correspond to the sick care (art. 558, No. 1), three-eighths of the annual earnings (arts. 1067 to 1073, 1097, par 1, No. 1b) and in addition in the case of care in a medical institution or treatment or maintenance on board a vessel, there must be granted one-half of the annual earnings for maintenance, if a higher expenditure is not shown to have been made.

ARTICLE 1107.

PARAGRAPH 1. If controversies arise in a foreign country in regard to free medical treatment and maintenance in a hospital or on board a vessel, then that consular office (*Seemannsamt*) which shall be first appealed to, shall render the provisional ruling. Each party must follow the order of the consular office (*Seemannsamt*) until the decision of the competent office is rendered.

PAR. 2. Exemption from fees and stamp taxes (arts. 137 and 138) is here also applicable.

ARTICLE 1108.

PARAGRAPH 1. The marine office (*Seemannsamt*) shall decide in controversies concerning claims of seamen based on articles 1083 to 1086, 1092, and 1104 as well as from article 1106: *Provided*, That this controversy must not be settled by the determination procedure of the accident insurance. The marine office (*Seemannsamt*) shall also decide controversies concerning claims of seamen to pecuniary sick benefits which, according to article 1094, have been transferred to the accident association.

PAR. 2. If the matter concerns the granting of relief, the marine office which is first appealed to shall be competent, if the matter concerns reimbursement, the marine office of the home port.

PAR. 3. Exemption from fees and stamp taxes is here also applicable.

ARTICLE 1109.

PARAGRAPH 1. The decision of the marine office (*Seemannsamt*) shall have the same status as the judgment of the local insurance office; the appeal does not effect a stay if the matter concerns the granting of relief.

PAR. 2. In the second instance that superior insurance office is competent in whose district the vessel has its home port or if there is no German home port, then the district in which the establishment has its seat.

PAR. 3. In regard to the point as to whether a review is permissible, the claims designated in article 1108, paragraph 1, shall be considered as claims for benefits of sickness insurance.

ARTICLE 1110.

PARAGRAPH 1. In controversies between the undertaker and the accident association in regard to transferring their benefits (art. 1106), the local insurance office shall decide finally if the matter does not concern a claim for reimbursement.

PAR. 2. Controversies in regard to claims for reimbursement arising out of articles 1083 to 1086, 1104, and 1106 shall be decided in judgment procedure.

ARTICLE 1111.

PARAGRAPH 1. In controversies between a commune and a sick fund in regard to assuming sickness benefits (art. 1089) as well as in controversies between the branch institute and the commune or sick fund in regard to the transfer of the relief (art. 1091) the local insurance office shall decide finally if the matter does not concern a claim for reimbursement.

PAR. 2. Controversies in regard to reimbursement arising out of articles 1088 to 1091 shall be decided in judgment procedure.

ARTICLE 1112.

Articles 603 and 604 of the industrial accident insurance and article 1106 shall be applicable in regard to a new course of treatment.

ARTICLE 1113.

Article 605 is applicable concerning changing the medical institution. However, in the case of seamen in foreign hospitals, the consular office (*Seemannsamt*) in whose district this hospital is located, replaces the consent of the seamen.

ARTICLE 1114.

The provisions of the industrial accident insurance are applicable concerning the following:

Harm to the injured person because of improper conduct in violation of the rules relating to the medical treatment (art. 606);

Placing the pensioner in a home for invalids or similar institution (art. 607).

ARTICLE 1115.

In addition the provisions of the industrial accident insurance are applicable in regard to the following:

A new determination of the pension on account of a change in conditions (arts. 608 to 611);

The maturity of the pension and duration of the receipt of the pension (arts. 612 and 613);

The right to receive the benefits after the death of the person entitled thereto (art. 614);

The suspension of the pension in the case of penalty involving the loss of liberty or confinement in a workhouse or reformatory (art. 615, par. 1, No. 1, and par. 4).

ARTICLE 1116.

PARAGRAPH 1. The right to receive the pension shall be suspended as long as the beneficiary—

1. Does service on a foreign war vessel;
2. Without having been mustered in on a German vessel, voluntarily and regularly abides in a foreign country and neglects to do the following:

Notify the accident association of his abode;

As an injured person presents himself at a marine office from time to time upon demand of the accident association.

The Imperial Insurance Office shall specify the details in regard to notifying the association and presenting himself.

If the beneficiary proves that without any fault of his own he has failed to make the prescribed report and presentation, then to that extent his right to a pension shall be revived.

3. As a foreigner, has been expelled from the Empire, because of condemnation in a penal procedure. The same applies in the case of a foreigner entitled to benefits who because of condemnation in a penal procedure has been expelled from the territory of a federal State so long as he does not stay in another federal State.

The Federal Council can suspend the cessation of pensions for foreign border territories, or for subjects of such foreign States whose legislation grants corresponding relief for Germans and their survivors.

PAR. 2. If the expulsion of a foreigner entitled to benefits (par. 1, No. 3) has not been ordered on the basis of condemnation or because of condemnation in a penal procedure, then in his case paragraph 1, No. 2, shall apply.

PAR. 3. In the meaning of these provisions German protectorates shall be considered as part of the Empire.

ARTICLE 1117.

The provisions of the industrial accident insurance are also applicable concerning the following:

Settlements in the form of capital sums (arts. 616 to 618);

Relinquishment of a claim for reimbursement and of legal rights (arts. 619 and 620);

Transferring, assigning, execution of the claims, and deductions from the claims (arts. 621 and 622).

SECTION THREE.—CARRIERS OF THE INSURANCE.

ARTICLE 1118.

The accident association as a carrier of the insurance includes the undertakers of insured establishments which are not insured in the branch institute (art. 1120).

ARTICLE 1119.

PARAGRAPH 1. The Empire or a federal State is the carrier of the insurance if the establishment is conducted for its account. This shall not apply whenever the Empire or the federal State, through a declaration of the imperial chancellor or highest administrative authority, enters the accident association. The declaration of entrance shall also specify the date on which such entrance shall become effective.

PAR. 2. Article 627, paragraph 2, shall be applicable as regards withdrawal from the accident association and reentrance into the same; article 625, paragraphs 3 to 5, of the industrial accident insurance shall also be applicable as regards withdrawal.

ARTICLE 1120.

The three kinds of establishments designated below shall be insured in a special branch institute which shall be attached to the accident association. The accident association shall be the carrier of the branch institute. The three groups of establishments are the following:

1. Establishments engaged in navigation on the high seas with vessels of the kind designated in article 1058, paragraph 1, No. 1 (small-scale establishments engaged in navigation);
2. Establishments engaged in fishing on the high seas with vessels which the Imperial Council has not already placed under the accident insurance as being either steamers engaged in deep-sea fishing or herring luggers (art. 1058, par. 1, No. 2);
3. Establishments engaged in fishing with vessels of the kind described in article 1049.

ARTICLE 1121.

The undertaker shall be considered as that person for whose account the establishment is conducted; in the case of navigation establishments this shall be the shipowner.

ARTICLE 1122.

PARAGRAPH 1. The following provisions of the industrial accident insurance shall be applicable:

Article 630, paragraph 3, concerning the maintenance of the status of the accident association;

Article 634 concerning the compensation of accidents in establishments of other parties;

Article 647, paragraphs 1 and 3, concerning the dissolution of the accident association.

PAR. 2. The official bodies of the dissolved accident association shall wind up the affairs under supervision of the Imperial Insurance Office.

SECTION FOUR.—ORGANIZATION.

I. MEMBERSHIP AND RIGHT TO VOTE—REPRESENTATIVES.

ARTICLE 1123.

Every undertaker of an establishment insured in it shall be a member of the accident association.

ARTICLE 1124.

Membership begins with the opening of the establishment and with the beginning of the insurance obligation; for the Empire and the federal States the beginning of the membership shall be regulated according to article 1119.

ARTICLE 1125.

On each vessel and in every other establishment the undertaker must make known through a placard the following:

To what section the vessel or the establishment belongs;

The location of the business office of the directorate of the accident association and of the directorate of the section.

ARTICLE 1126.

If members or their local representatives do not possess their civic rights, they shall have no right to vote.

ARTICLE 1127.

The constitution must specify the number of votes of shipowners according to the number of persons estimated according to article 1148.

ARTICLE 1128.

PARAGRAPH 1. If the shipowner does not have his place of residence in the home port of the vessel, then he must appoint a representative of the vessel in the home port.

PAR. 2. The name of the representative and changes in the person of the same are to be communicated to the accident association. The shipowner's right to vote and right to be elected shall be suspended until this has been done. So long as this is the case, he shall not be invited to the general meetings of the associations, and in matters of the association's affairs the administrative bodies or the authorities thereof shall be considered as having delivered to him any document by posting it publicly for one week in their business rooms. If his name is not known, they may replace his name in the placard by the name of the vessel. The constitution may further restrict the shipowner in the execution of his rights of membership.

ARTICLE 1129.

PARAGRAPH 1. The representative shall in legal and other matters represent the shipowner in his capacity as member of the association before the association. A limitation in the scope of the power of the representative as against the accident association shall be without effect.

PAR. 2. Communications to the representative concerning matters of the accident association shall have immediate effect for and against the shipowner.

ARTICLE 1130.

PARAGRAPH 1. Joint owners of ships must designate a joint representative even if all of them have their place of residence in the home port. Article 1128 is here applicable.

PAR. 2. The manager of the shipowning firm appointed by the joint owners of the ship shall be considered as the representative before the accident association so long as no such representative has been appointed.

ARTICLE 1131.

Articles 1128 to 1130 shall not apply to the branch institute.

II. REGISTRATION OF ESTABLISHMENTS.

ARTICLE 1132.

The authorities in charge of the shipping registry and ship's measurements must without delay send notice of the measurements and registry of new vessels to the directorate of the accident association, and the undertakers must send notice concerning the opening of other establishments to the local insurance office of the seat of the establishment.

III. REGISTER OF ESTABLISHMENTS.

ARTICLE 1133.

PARAGRAPH 1. The directorate of the accident association must keep a register of the establishments on the basis of the—

Register of ships in the German merchant marine as given in the latest edition of the handbook of the German merchant marine;

List of the undertakers which is sent to it by the Imperial Insurance Office under the provisions of article 22 of the law of July 13, 1887 (Reichs-Gesetzblatt, p. 329);

Notices concerning the opening of new establishments, (art. 1132).

PAR. 2. No register of establishments shall be kept for the branch institute.

ARTICLE 1134.

Articles 658, 659, 660, sentences 1 and 2, articles 661 and 663 of the industrial accident insurance are applicable as regards registry of establishments.

IV. CHANGES IN THE CONDITIONS OF THE ESTABLISHMENT.

ARTICLE 1135.

The authorities in charge of the ship's registry shall indicate to the directorate of the accident association all changes and cancellations in the ship's register.

ARTICLE 1136.

For the vessels insured under article 1046, which are not entered in the ship's registry, the ship owners and managers of shipping firms and the representatives must report to the directorate of the accident association within the time specified by the constitution the following matters:

Loss of the vessel (art. 1174);

Changes in the home port, name, class, and capacity of the ship;

Changes in the person and in the citizenship of the shipowners or joint owners.

ARTICLE 1137.

PARAGRAPH 1. If these reports to the directorate are not made, or the reports to the authorities in charge of the register are not made (art. 14 of the flag law, Reichs-Gesetzblatt, 1899, p. 319) then the owner or joint owner whose name is registered in the register of the establishments is liable for the contributions which are to be assessed upon the members. This liability shall further include the fiscal year in which the report is made.

PAR. 2. The new owner is not released from liability on that account.

ARTICLE 1138.

The undertakers of floating docks and of pilotage establishments and other establishments designated in article 1046, number 3, must report to the directorate of the accident association every change in the person for whose account the establishment is conducted and all changes in the establishment which are of importance for its membership in the accident association. The report is to be made within the time limit which according to the constitution is specified for reports under article 1136. If the report is not made, then the undertaker shall suffer the same loss of rights as the shipowners in article 1137.

ARTICLE 1139.

If on the basis of the information from the reports received, or if on their own initiative the directorate of the accident association believes it necessary that the establishment shall be transferred to another accident association or because it is shut down shall be cancelled from the list, then articles 661 to 673 of the industrial accident insurance are correspondingly applicable both for the transfer and for cancellation as well as for transfer of the cost of the accidents and of a share of the reserve.

ARTICLE 1140.

PARAGRAPH 1. The obligation of giving notice in case of changes in the establishment which for the estimates are of importance (art. 1148) and the further procedure, shall be regulated by the constitution.

PAR. 2. The undertaker has the right of appeal against the decision which the accident association has issued on the basis of reports of changes or of its own initiative.

ARTICLE 1141.

If the accident association has a risk tariff, then the requirement to give notice shall apply in cases of changes in the establishment which affect the classification of establishments in the risk classes, while article 674 shall apply for the further procedure.

V. CONSTITUTION.

ARTICLE 1142.

The accident association shall regulate its internal administration and order of business by a constitution, which the general meeting of the accident association shall decide upon.

ARTICLE 1143.

The constitution must specify—

1. The name and the seat of the accident association;
2. The composition, rights, and duties of the directorate;
3. The form of the declarations of the decisions of the directorate as well as its signature on behalf of the accident association, the manner of making decisions in the directorate, and its representation as to third parties;
4. The calling of the general meeting of the accident association and its method of arriving at a decision;
5. The right to vote of the members and the examination of their credentials;
6. The representation of the accident association as against the directorate;
7. The rates for loss of earnings and for traveling expenses which are to be granted to the representatives of the insured persons (art. 21);
8. Procedure of the administrative bodies of the accident association in classifying the vessels;
9. Procedure in cases of changes in the establishment and of a change in the person of the head of the establishment;
10. The consequences of shutting down an establishment or of a change in the person of the undertaker, especially as to the guaranteeing of his contributions if he shuts down the establishment;
11. The drawing up, examining, and acceptance of the annual balance sheet;
12. The administrative action relative to the issuance of the regulations containing provisions for accident prevention and for the supervision of the establishments;

13. Procedure in case of the reporting and release from membership of undertakers, of pilots, and of other persons insured according to article 1064, number 1, who belong to the accident association, as well as concerning the amount and ascertainment of the annual earnings of undertakers and of pilots;
14. The method of publishing notices;
15. The provisions as to the amendment of the constitution.

ARTICLE 1144.

The following provisions of the industrial accident insurance shall apply for the:
Composition of the general meeting of the accident association of representatives, division of the accident association into sections and appointment of district agents (arts. 678 and 679);
Authority of the directorate of the accident association to impose penalties (art. 680);
Drawing up of the constitution (arts. 681 to 683).

ARTICLE 1145.

The directorate of the accident association must make an announcement in the Reichsanzeiger, if the constitution, with the approval of the Imperial Insurance Office, has been changed in regard to—
1. The name or seat of the accident association;
2. The districts of the sections.

VI. ADMINISTRATIVE BODIES OF THE ACCIDENT ASSOCIATION.

ARTICLE 1146.

PARAGRAPH 1. The provisions of the industrial accident insurance (arts. 685 to 689) shall be applicable as regards the administrative bodies of the accident association.
PAR. 2. Managers of shipowning firms are also eligible to the administrative bodies of the accident associations.

VII. EMPLOYEES OF THE ASSOCIATION.

ARTICLE 1147.

The provisions of the industrial accident insurance (arts. 690 to 705) shall be applicable as regards employees of the accident association and as regards the transferring of business to salaried business managers.

VIII. MAKING THE ESTIMATES—RISK TARIFF AND SPECIAL COSTS.

ARTICLE 1148.

PARAGRAPH 1. For each seagoing vessel, there shall be estimated the average number of seamen who are necessary to form the crew.
PAR. 2. An estimate shall be made according to classes (arts. 1067 to 1071) on the basis of the following:
The handbook of the German merchant marine;
The registers of undertakers which according to the provisions of articles 21 and 22 of the law of July 13, 1887 (Reichs-Gesetzblatt, p. 329) have been drawn up on the creation of the accident association;
Changes in the conditions of the establishment.
PAR. 3. The above shall not apply in the case of the branch institute.

ARTICLE 1149.

The constitution shall specify that risk classes shall be formed. In such cases articles 706 to 709 of the industrial accident insurance shall be applicable. The constitution must in such cases also contain provisions in regard to the procedure in the apportionment to the risk classes.

ARTICLE 1150.

The directorate of the accident association shall make estimates concerning the vessels and shall apportion the establishments to the risk classes as specified in the constitution.

ARTICLE 1151.

The members must upon demand within two weeks furnish such information to the administrative bodies of the accident association as is necessary to make estimates and apportionment. This shall also apply to the managers of shipowning firms, to the firms' representatives, and to the masters of the vessel.

ARTICLE 1152.

In the periods within which the risk tariff is to be reexamined, the estimates and apportionment are to be regularly verified.

ARTICLE 1153.

PARAGRAPH 1. Each member must be notified of his apportionment to the risk classes and each shipowner must be informed of the estimates of his navigation establishments.

PAR. 2. Even before the regular reexamination, the accident association may make a new estimate of the ship's crew and make a new apportionment of the establishment if it develops that the statements of the undertaker were incorrect or if a change has taken place in the establishment.

PAR. 3. The undertaker shall have an appeal against the estimate and apportionment.

ARTICLE 1154.

PARAGRAPH 1. On the basis of accidents which have taken place on their vessels, the general meeting of the accident association, upon application of the directorate, may either impose supplementary assessments on the undertakers or grant them a rebate for the coming tariff period or for a part of the same.

PAR. 2. The undertaker shall have the right to appeal against the determination of supplementary assessments.

ARTICLE 1155.

PARAGRAPH 1. The constitution may provide that higher contributions shall be paid for voyages with especially dangerous cargoes or in especially dangerous waters or seasons.

PAR. 2. The general meeting of the accident association shall specify the basis for such action and make regulations concerning the reporting and determination of the decisive facts.

PAR. 3. The general meeting may also transfer this matter to a committee or to the directorate.

PAR. 4. Such provisions shall require the approval of the Imperial Insurance Office. For the reexamination, articles 708 and 709 of the industrial accident insurance shall be correspondingly applicable.

ARTICLE 1156.

PARAGRAPH 1. For the single voyages (art. 1155) the administrative bodies of the accident association may increase the contributions in proportion to such voyages as have been made in each fiscal year. The details on this point shall be specified in the constitution.

PAR. 2. Article 1151 shall apply as regards the obligation to supply information.

PAR. 3. The imposition of such contributions may be contested in the same way as in the case of a protest against the determination of the contributions (arts. 1178 to 1182).

IX. ADMINISTRATION OF THE ASSETS.

ARTICLE 1157.

The provisions of the industrial accident insurance shall be applicable as regards the administration of the assets (arts. 717 to 721).

SECTION FIVE.—SUPERVISION.

ARTICLE 1158.

The Imperial Insurance Office shall conduct the supervision of the accident association.

Section Six.—Payment of the Compensation—Raising of the Funds.

I. PAYMENTS THROUGH THE POST OFFICE DEPARTMENT.

Article 1159.

Paragraph 1. The compensation shall be paid by the accident association upon the authorization of its directorate through German post offices and as a rule through those post offices in whose districts is the home port of the ship upon which the accident has occurred.

Par. 2. The directorate shall notify the payee as to the office of payment.

Par. 3. He may apply to the directorate or at the office of payment so designated to have the payments made at the post office of his place of residence.

Article 1160.

The following articles of the industrial accident insurance are to be applied in the following cases:

Article 727 in regard to the necessary certificates for payments;

Article 728 as regards the collection of advance payments through the Post Office Department.

Article 1161.

The Imperial Insurance Office may specify the manner in which the payees are to be paid who customarily abide in a foreign country.

II. RAISING OF THE FUNDS.

Article 1162.

The means for the covering of its expenditures and for the costs of the administration of the branch institute (art. 1192) shall be raised by the accident association by means of members' contributions, which shall be sufficient for the needs of the preceding fiscal year.

Article 1163.

Paragraph 1. At the branch institute the unions of communes and the undertakers belonging to the institute must pay fixed contributions, specified in advance (arts. 1195 to 1197).

Par. 2. These contributions must cover the capitalized value of pensions which the institute will probably have to carry and in addition cover the other expenditures which the branch institute has made.

Article 1164.

Paragraph 1. The provisions of the industrial accident insurance shall be applicable in the following cases:

In regard to the purposes for which the contributions may be raised and the means may be expended (arts. 736);

In regard to advances upon contributions as well as contributions paid in advance (arts. 738 and 739);

In regard to the accumulation of a reserve (arts. 741 to 747).

Par. 2. These provisions, with the exception of article 736, shall not apply to the branch institute.

III. PROCEDURE IN ASSESSMENTS AND COLLECTIONS.

Article 1165.

Paragraph 1. The directorate of the accident association shall determine which part of the payments shown to have been made by the highest postal authorities shall be charged to the accident association and which part to the branch institute.

Par. 2. Articles 1166 to 1184 shall be applicable as regards the assessment and collection of the contributions of members.

ARTICLE 1166.

PARAGRAPH 1. Within six weeks after the expiration of the fiscal year each member of the accident association shall transmit a wage list to the directorate of the accident association.

PAR. 2. This list must contain the following:

1. For each sea-going vessel the insured persons employed during the preceding fiscal year on the vessel, but not belonging to the crew (art. 1046, No. 2);
2. For establishments operating floating docks, pilotage establishments, and other establishments designated in article 1046, No. 3, the insured persons employed in the establishment during the preceding fiscal year;

in addition, for all these persons the wage list must show the following:

The compensation earned by these persons;

If the compensation actually received by these persons is not decisive, then a computation of the earnings which is to be used in the assessment and contributions.

PAR. 3. The constitution may permit a summary wage list in accordance with article 750, paragraph 3.

ARTICLE 1167.

The provisions of the industrial accident insurance (art. 751) shall be applicable in regard to the following:

Earlier transmittal of the wage list;

The keeping and preserving of the wage list.

ARTICLE 1168.

The accident association itself may draw up or complete the wage list in the case of members who do not transmit the same promptly or completely.

ARTICLE 1169.

The contributions of the members shall be assessed according to their apportionment to the risk classes, and in the second place according to the following:

1. In case of seagoing vessels according to the amounts obtained from [1] the sum of the average wage payments (arts. 1067 to 1070) for the estimated number of men in the crew and [2] from the wage list; supplementary charges, rebates, or increases of contributions (arts. 1154 and 1155) are to be considered in this connection.
2. In the case of other establishments according to the wage list.

ARTICLE 1170.

If during the period of contribution the annual amount of the wage payments exceeds 1,800 marks [$428.40], then of the excess only one-third shall be included in the computation. If it exceeds 5,000 marks [$1,190], then the excess shall be included in the computation only so far as the constitution has extended the insurance to a higher amount of the annual earnings.

ARTICLE 1171.

PARAGRAPH 1. In the case of vessels which are proved to have been out of commission without interruption for a period longer than 14 days, the contribution is to be proportionately reduced for that period of inactivity which exceeds 14 days.

PAR. 2. It shall be reduced for that fiscal year in which the vessel was out of commission. If the period of inactivity extends over into the following fiscal year, then the reduction as far as necessary shall be postponed until then.

ARTICLE 1172.

PARAGRAPH 1. The contributions shall be reduced only if the shipowner, manager of the shipowning firm, or representative shall within six weeks after the expiration of the fiscal year prove to the directorate of the accident association an interrupted period of inactivity, in the form of a certificate which has been duly attested.

PAR. 2. If the vessel returns to the home port only after the expiration of the fiscal year, then proof can be brought even within six weeks following the return; the contribution, however, must for the time being be paid in full.

ARTICLE 1173.

PARAGRAPH 1. In the case of vessels which in the course of the fiscal year have been lost or are missing (arts. 862 and 863 of the Commercial Code), the directorate of the accident association on its own initiative shall reduce the contributions as soon as the facts which are decisive on the question have been made known to it.

PAR. 2. The reduction shall begin with the date of the loss, or one-half a month after the date up to which the latest news in regard to the vessel reaches.

PAR. 3. If in the case of the loss of the vessel German seamen are transported homeward free of charge upon a German seagoing vessel or are brought back on the vessel (art. 1054, No. 2), then the contribution shall not be reduced for this period.

PAR. 4. If the contribution had already been paid, then it shall be returned in the proper proportion.

ARTICLE 1174.

A vessel shall be considered as lost also in the cases when it has sunk, has been condemned as of insufficient value for repair, and on that account has been publicly sold without delay, also when it has been robbed, captured, or detained and declared a valid prize.

ARTICLE 1175.

The directorate of the accident association shall compute the contribution to be apportioned to each member for the covering of the total expenditure.

ARTICLE 1176.

The provisions of the industrial accident insurance (art. 754) are applicable as regards extracts from the assessment roll, its communication, and the request for payment; if a manager of the shipowning firm, or representative, has been appointed, then these are to receive notices.

ARTICLE 1177.

Articles 755 and 756 are correspondingly applicable as regards a new determination of the contribution after the extract has been transmitted. The new determination is also permissible when at a later time, because of incorrect statements of the undertaker, the ship's crew has again been estimated (art. 1153) or facts become known on account of which certain voyages are to be specially assessed (art. 1155).

ARTICLE 1178.

PARAGRAPH 1. A protest against the determination of the contributions may be made by a representative or manager of the shipping establishment, and if such has not been appointed, by a member. Articles 757, 758, paragraph 1, and article 759 of the industrial accident association are correspondingly applicable.

PAR. 2. The apportionment and the making of the estimate (arts. 1150 and 1152) may not be contested in this manner.

ARTICLE 1179.

PARAGRAPH 1. Appeals against the decision of the directorate may only be based upon the following:

Mistakes in the computation;
Incorrect rating of the estimate of the crew necessary for the vessel;
Incorrect rating in any other class of the risk tariff than that to which the establishment belongs;
Insufficient consideration of the rebates (art. 1154);
Incorrect determination of the duration of employment and of the annual earnings of the insured persons who are employed in establishments other than those engaged in navigation;
Insufficient deductions on account of the inactivity of the vessel.

PAR. 2. An appeal on account of the two last-mentioned reasons is not permissible if the directorate has itself drawn up or completed the wage list or has not reduced the contributions because of the negligence of the persons required to do so.

ARTICLE 1180.

PARAGRAPH 1. If individual voyages have been specially assessed (art. 1155), then an appeal may be based on the claim that the actual prerequisites for a higher contribution do not exist.

PAR. 2. This shall not apply if the person required to do so has neglected to file the required reports.

ARTICLE 1181.

If, upon protest or appeal, the contribution has been reduced, then article 760 shall be applicable as regards the covering of the deficit and the balancing of the excess payment. The same article shall also apply if the loss of the vessel has only been determined at a later time.

ARTICLE 1182.

If it later develops that a contribution paid without protest was collected either wholly or partly without right, then articles 1178 to 1181 shall be correspondingly applicable.

ARTICLE 1183.

The shipowner is liable not only with the ship and the freight, but also personally for the contributions, for the advance upon contributions, and for amounts deposited as guaranties (art. 1143, No. 10). Joint owners are liable in proportion to their shares in the ship.

ARTICLE 1184.

PARAGRAPH 1. Article 762 is applicable in regard to the covering of contributions which can not be collected.

PAR. 2. The accident association may transfer to the manager of the shipping firm or representative thereof the compulsory collection of amounts which are a charge upon a shipping firm or upon a joint owner.

IV. TRANSFERRING AMOUNTS TO THE POST OFFICE DEPARTMENT.

ARTICLE 1185.

The provisions of the industrial accident insurance are applicable as regards the transferring of amounts to the post office (arts. 777 to 782).

SECTION SEVEN.—BRANCH INSTITUTE FOR SMALL-SCALE ESTABLISHMENTS ENGAGED IN NAVIGATION AND IN DEEP-SEA FISHING AND COAST FISHING.

ARTICLE 1186.

Those persons are insured in the branch institute who are engaged in establishments engaged in navigation and fishing as described in article 1120.

ARTICLE 1187.

The following are also insured in the branch institute:

1. Undertakers subject to the insurance according to article 1058 who conduct navigation and fishing establishments as a business.
2. Those undertakers who are in charge of establishments engaged in navigation and fishing of the kind described in article 1120, who have insured themselves.

ARTICLE 1188.

The branch institute may not undertake other kinds of insurance.

ARTICLE 1189.

The administrative bodies of the accident association administer the branch institute unless the constitution of the latter provides otherwise (art. 1194).

ARTICLE 1190.

PARAGRAPH 1. The income and expenditures of the branch institute are to be accounted for separately, and its assets are to be kept separately.

PAR. 2. As far as is necessary, the accident association must advance the means for conducting the business of the branch institute from the reserve of the association.

ARTICLE 1191.

The assets which are specified as belonging to the branch institute may not be used for the purposes of the accident association.

ARTICLE 1192.

The accident association shall bear the cost of administration of the branch institute.

ARTICLE 1193.

Article 791 shall be applicable in regard to the participation of the branch institute in the advance payments to the post office.

ARTICLE 1194.

The general meeting of the accident association must draw up a separate constitution for the branch institute. Article 792, paragraph 2, article 793, Nos. 1, 2, 4, and 6, articles 794 and 796 of the industrial accident insurance are correspondingly applicable as regards this constitution. Article 793, No. 1, is to be correspondingly applied to undertakers subject to the insurance.

ARTICLE 1195.

PARAGRAPH 1. At least once in every five years the Imperial Insurance Office shall specify the contributions in advance.

PAR. 2. These contributions are to be paid by those unions of communes of the coast States which include coast districts, and shall be apportioned to the communes according to the number of insured persons who are engaged in their districts. The highest administrative authority shall specify the details in this connection.

PAR. 3. The Federal Council may order that in the apportionment of the contribution, the duration of the employment and variations in the customary daily wages of the locality, are to be considered.

ARTICLE 1196.

PARAGRAPH 1. The individual union of communes shall raise one-half of the contributions in the same manner as its other expenditures.

PAR. 2. The other one-half of the contributions shall be collected from the undertakers affected through the intervention of the union or of the communes. The union of communes shall specify the details in this connection.

PAR. 3. The union of communes or the communes are responsible for contributions which are not collectible, and with the approval of their supervisory authorities they may defray either wholly or partly the cost from their own funds.

PAR. 4. They may specify that the undertakers shall report to their directorate every change in the person for whose account the establishment is conducted. If the report is not made, then the employer shall be responsible according to article 1137.

ARTICLE 1197.

The undertaker shall have the right to appeal to the superior insurance office against being called on for contributions.

SECTION EIGHT.—ADDITIONAL INSTITUTIONS.

ARTICLE 1198.

The provisions of the industrial accident insurance shall apply to additional institutions of the accident association (arts. 843 to 847).

SECTION NINE.—ACCIDENT PREVENTION—SUPERVISION.

I. REGULATIONS FOR THE PREVENTION OF ACCIDENTS.

ARTICLE 1199.

PARAGRAPH 1. The accident association is required to issue the requisite regulations concerning the following:

1. For the undertakers concerning the arrangements and rules for the prevention of accidents as well as concerning the equipment of vessels;
2. Concerning the rules of conduct which insured persons must observe for the prevention of accidents in establishments.

PAR. 2. The regulations for the prevention of accidents are also to be issued for individual districts and for specified classes of vessels or establishments.

ARTICLE 1200.

An appropriate period of time must be given to the undertakers to provide the prescribed arrangements for the prevention of accidents.

ARTICLE 1201.

Contraventions on the part of undertakers against the regulations may be punished by fines up to 1,000 marks [$238], those of the insured person up to 6 marks [$1.43]. The insured person is not to be punished if he has violated regulations in carrying out the orders of his superior.

ARTICLE 1202.

In addition to the shipowner, the accident association may also declare the ship's master to be responsible for the execution of the regulations issued as above. For each neglected act, fines up to 300 marks [$71.40] can be imposed upon him.

ARTICLE 1203.

Articles 852 to 856 of the industrial accident insurance are applicable as concerns the decisions regarding the regulations and the preparation, while article 857 shall apply as regards the attitude to the reports of the technical supervisory officer.

ARTICLE 1204.

The representatives of the insured persons shall be selected by lot from a number of associates competent for navigation in the superior insurance office, and the lot shall be drawn by the chairman of the directorate in one of its sessions.

ARTICLE 1205.

PARAGRAPH 1. The following articles of the industrial accident insurance shall be correspondingly applicable in the following cases:

Article 859 as regards the election of representatives of the insured persons;
Article 861 as regards the election of substitutes for the representatives of the insured persons;
Article 863 as regards the allowances for representatives of insured persons;
Articles 864 to 868 as regards the approval of the regulations and the procedure in preparation thereof.

PAR. 2. The provisions of articles 16, 19 to 22, and 24 as regards elected representatives of insured persons shall also be correspondingly applicable to these representatives of the insured persons and their substitutes.

ARTICLE 1206.

The directorate of the accident association shall communicate the approved regulations to the higher administrative authorities and all marine offices affected, and shall publicly placard the regulations in the business offices of the latter and in the seamen's homes.

ARTICLE 1207.

The directorate of the accident association shall be competent for determining the fines imposed on the undertakers.

ARTICLE 1208.

PARAGRAPH 1. That marine office (*Seemannsamt*) shall determine the fines imposed on the masters of vessels which has first recognized the neglect (art. 1202) and shall enter the same in the ship's log. These fines are to be collected immediately.

PAR. 2. Against the imposition of such fines, the master of the vessel, the ship's owner, manager of the shipping firm or representative shall have the right to appeal to the supervisory authority of the marine office (*Seemannsamt*) within one month after the end of the voyage.

PAR. 3. The same or another marine office (*Seemannsamt*) may again impose a fine if in the meantime the order has not been obeyed, unless it can be shown that it was impossible of execution.

PAR. 4. The local insurance office shall be competent as regards the imposition of fines on the insured persons (art. 1199, par. 1, No. 2).

II. SUPERVISION.

ARTICLE 1209.

Articles 874 and 875 of the industrial accident insurance are applicable as regards the execution of the regulations for the prevention of accidents.

ARTICLE 1210.

PARAGRAPH 1. In order to verify the reports transmitted according to law or constitution, the accident association can, through accounting officials, inspect the ship's log, muster rolls, certificates, bill of tonnage, and other ship's papers and lists from which may be ascertained the number of insured persons as well as the extent and duration of the completed voyages.

PAR. 2. The local insurance office may also undertake such examination.

ARTICLE 1211.

With the approval of the Imperial Insurance Office, the business of the technical upervisory official and the accounting official may be combined in one person.

ARTICLE 1212.

In their business office, the authorities are under obligation to place open for inspection of the accounting officials of the accident association all transactions and documents which relate to conditions of the vessel and the crew thereof.

ARTICLE 1213.

PARAGRAPH 1. The ship's owners, managers of the shipping concern, and representatives as well as masters of vessels must permit the technical supervisory officials to enter their vessels and inspect the same and must open for inspection on the spot the ship's papers and lists for the inspection of the accounting officials.

PAR. 2. In the same manner, the other undertakers must permit the inspection of their establishments and present their lists for inspection.

ARTICLE 1214.

PARAGRAPH 1. The marine office (*Seemannsamt*) may investigate vessels for the purpose of ascertaining whether the regulations for the prevention of accidents have been complied with.

PAR. 2. The obligations arising out of articles 1212 and 1213 are also applicable to the marine office. The marine office must be permitted to enter fines imposed by it in the ship's log.

ARTICLE 1215.

Upon the application of the technical supervisory officials or of the accounting officials, the marine office (*Seemannsamt*) can impose upon persons, obliged to do so according to articles 1210, 1213, and 1214, fines up to 300 marks [$71.40] to force them to perform their duties.

ARTICLE 1216.

PARAGRAPH 1. The provisions of the industrial accident insurance are applicable as regards the following:

Taking of the oath (art. 882);

Communicating the name and residence of the technical supervisory officials as well as the activities of the latter (art. 883).

PAR. 2. However, the higher administrative authorities or the authorities or officials designated by them shall take the place of the State supervisory official in regard to the communication.

ARTICLE 1217.

PARAGRAPH 1. The provisions of the industrial accident insurance are applicable in regard to—

Damages to the undertakers in the case of neglecting to comply with the obligation as regards supervision (art. 887);

Supervision through the local insurance office and the Imperial Insurance Office (arts. 888 and 889).

PAR. 2. The accident association is also authorized in case of inspection of unclassified vessels to collect from the owners of the latter those costs which have arisen through the determination of the condition of the hull of the vessel and the machinery equipment and which were an increase as compared with the cost of inspecting classified vessels. Costs of this kind shall likewise be collected in the same manner as communal taxes.

SECTION TEN.—ESTABLISHMENTS OF THE EMPIRE AND OF THE STATES.

ARTICLE 1218.

PARAGRAPH 1. Articles 892, 893, 895, and 887 are correspondingly applicable whenever the Empire or a federal State shall take the place of the accident association.

PAR. 2. In such a case, the following provisions of the navigation accident insurance shall not apply:

The provisions concerning dissolution of the accident association (art. 1122 in connection with art. 647, pars. 1 and 3);

The provisions in regard to the constitution contained in articles 1123 to 1156 and article 1157 in connection with articles 717 to 720;

The provisions concerning supervision (art. 1158);

The provisions in regard to raising of funds as well as the procedure in the assessment and collection (arts. 1162 to 1184);

The provisions concerning transferring of amounts to the post office contained in article 1185 in connection with articles 781 and 782;

The provisions in regard to the branch institute (arts. 1186 to 1197);

The provisions relating to additional institutions (art. 1198);

The provisions relating to the prevention of accidents and supervision contained in articles 1199 to 1216 and article 1217, paragraph 1, in connection with articles 887 and 889 as well as article 1217, paragraph 2;

The penal provisions contained in articles 1220 to 1223 and 1224 in connection with article 910.

SECTION ELEVEN.—LIABILITY OF UNDERTAKERS AND THEIR REPRESENTATIVES.

ARTICLE 1219.

PARAGRAPH 1. The provisions of the industrial accident insurance (arts. 898 to 907) are applicable as regards the liability of undertakers and their employees.

PAR. 2. In such cases joint owners, pilots and persons of the ship's crew shall have the same status (art. 899).

PAR. 3. This provision shall apply in the case of collision of several vessels which are subject to the navigation accident insurance, to the shipowners of all vessels affected thereby, and to all persons having an equal status with the shipowners.

PAR. 4. Claims for compensation for damages sustained through accident, which a person insured in the branch institute has in the case of bodily injury according to law for the first 13 weeks, shall be retained, provided that the injured person does not have a claim to the benefits of the sickness insurance against a sick fund, miners' sick fund or substitute fund, or if the injured person is exempt from the insurance on account of being entitled to benefits of equal value.

PAR. 5. However, the obligation to provide relief which rests upon the shipowner on the basis of articles 553 to 553*b* of the Commercial Code and articles 59 to 62 of the Navigation Code are not affected hereby.

SECTION TWELVE.—PENAL PROVISIONS.

ARTICLE 1220.

The accident association may impose fines up to 500 marks [$119] upon undertakers, joint owners, managers of shipping firms, representatives and masters of vessels if in the three cases mentioned herewith the reports actually contained statements whose incorrectness these persons either knew or under the circumstances must have known; these cases are the following:

1. Reports of the kind not designated in article 1581 which they have transmitted in compliance with the law or constitution;
2. An information which is demanded of them according to the law or constitution;
3. Explanations which must be transmitted to the competent official bodies of of the accident association for the purpose of assignment to risk classes.

ARTICLE 1221.

The directorate of the accident association may in addition impose a fine up to 300 marks [$71.40] upon persons designated in article 1220 if they do not promptly comply with their duties as specified in the law or in the constitution as regards the—

1. Appointment of representatives or communication of their names or change of them to the directorate of the accident association;
2. Reporting of changes in the establishment;
3. Transmission of reports;
4. Furnishing of information;
5. Complying with the provisions of the constitution in regard to the shutting down of establishments.

ARTICLE 1222.

In so far as on the basis of this law undertakers or joint owners are liable to penalties the following persons shall be considered as having the same status:

1. All members of the directorate wherever a stock company, mutual insurance association, registered cooperative society, guild, or other legal person is the undertaker or joint owner;
2. The business managers, if an association with limited liability is the undertaker or joint owner;
3. All copartners personally liable provided that they are not excluded from representation if another form of business corporation is the undertaker or joint owner;
4. The legal representative of undertakers not legally competent to transact business, or partially so, as well as liquidators of a business corporation, a mutual insurance association, a registered cooperative society, a guild, or any other legal person.

ARTICLE 1223.

The employer is liable for the fines which according to article 1183 have been imposed upon him or the ship's master upon the basis of articles 1220 to 1222.

ARTICLE 1224.

The following provisions of the industrial accident insurance shall be correspondingly applicable:

Article 910 in regard to appeals against the determination of fines;

Article 911 in regard to deducting the contributions from the earnings and in such cases shall also be applicable to joint owners, masters of vessels and their employees;

Article 914 in regard to the funds to which the fines shall accrue, however, in place of the sick fund of the place of employment, that sick fund shall receive the sum in whose district the establishment has its seat.

ARTICLE 1225.

The provisions against limiting the insured persons in their rights contained in this law (art. 139) shall also apply to joint owners, master of vessels and their employees and likewise the penal provisions as regards contravention (art. 140).

BOOK FOUR—INVALIDITY AND SURVIVORS' INSURANCE.

SECTION ONE.—SCOPE OF THE INSURANCE.

I. COMPULSORY INSURANCE.

ARTICLE 1226.

PARAGRAPH 1. Beginning with the completed sixteenth year of age, the following persons are insured in case of invalidity and old age and in addition in favor of their survivors as specified herewith:

1. Workmen, helpers, journeymen, apprentices, and servants.
2. Establishment officials, foremen, and other employees in similar higher positions if such employment is for all of them their principal occupation.
3. Clerks and apprentices in commercial establishments, clerks and apprentices in pharmacies.
4. Members of the stage and of orchestras without regard to artistic value of their services.
5. Teachers and tutors.
6. The crews of German seagoing vessels and the crews of vessels engaged in inland navigation.

PAR. 2. The prerequisite of insurance for all of these persons is that they shall be employed for compensation (art. 160), and for those designated under Nos. 2 to 5, as well as for masters of vessels that their regular annual earnings in the form of compensation shall not exceed 2,000 marks [$476].

ARTICLE 1227.

An employment in which the compensation consists only of free board and lodging is exempt from insurance.

ARTICLE 1228.

Those Germans are also insured who are employed in an official representative office of the Empire or of a federal State in a foreign country or employed by the directors or members thereof.

ARTICLE 1229.

The Federal Council may either generally or for single districts extend the insurance obligation for specified branches of the industry to the following:

1. Persons carrying on business or other undertakers of establishments who regularly employ in their establishments either no one or at the most one person subject to the insurance.
2. Persons engaged in home-working industries (art. 162) without regard to the number of their home-working employees.

ARTICLE 1230.

The Federal Council may specify in how far persons conducting a business (or persons giving the order, art. 469) are required to fulfill the obligations of an employer for the following:

1. Persons engaged in home work upon their order and for their account, as well as home-working employees of such persons;
2. Persons employed in home work upon their order by intermediate persons, distributors, factors, and zwischenmeisters.

ARTICLE 1231.

The Federal Council may specify how far Germans in the service of foreign States and such persons who are not subject to German jurisdiction are required to fulfill the obligation of employers.

ARTICLE 1232.

The Federal Council shall specify in how far temporary services shall remain exempt from the insurance.

ARTICLE 1233.

PARAGRAPH 1. The Federal Council may specify that foreigners shall be exempt from insurance whose sojourn in Germany has been permitted by the authorities for only a specified time.

PAR. 2. In such cases, the employer shall pay according to the orders of the Imperial Insurance Office such an amount to the insurance institute as they would otherwise have to pay from their own means.

ARTICLE 1234.

PARAGRAPH 1. Exempt from the insurance are employees in the establishments or in the service of the Empire, of a federal State. of a union of communes, and of a commune or of an insurance carrier, if there has been guaranteed to them a claim to retirement pension equal to the minimum amount of the invalidity pension according to the rates of the first wage class as well as to widows' pension according to rates of the same wage class and likewise to orphan's pensions.

PAR. 2. The same shall apply to teachers and tutors in the public schools or institutions.

ARTICLE 1235.

The following are exempt from the insurance:

1. Officials of the Empire, of the federal States, of the unions of communes, of the communes, of the insurance carriers, and teachers and tutors in the public schools or institutions, as long as they are being trained solely for their occupation;
2. Military persons who carry on during their service or during their training for a civil employment, one of the occupations designated in article 1226, to which article 1234 is to be applied;
3. Persons who are employed in teaching for a compensation, during the scientific training for their future occupation.

ARTICLE 1236.

Whoever is receiving an invalidity or survivors' pension according to imperial law or is an invalid shall be exempt from insurance (arts. 1255 to 1258).

ARTICLE 1237.

Upon application the following persons shall be exempt from the insurance obligation, if they have been guaranteed retirement pensions, part pay, or similar receipts equal in amount to the minimum invalidity pensions according to the rates of the first wage class and in such connection have been guaranteed a claim to survivors' relief (art. 1234). These persons are—

Whoever has been guaranteed these benefits by the Empire, a federal State, a union of communes, a commune, or an insurance carrier;

Whoever has been guaranteed these benefits on the basis of earlier employment as teacher or tutor in a public school or institution.

ARTICLE 1238.

Upon their application, there shall be exempt from the insurance obligation, those persons subject to the insurance who have been employed during or after the time of their college training as preparation for their future occupation, or have been employed in a position which forms a transitory step to an employment both exempt from insurance and corresponding to an employment requiring a college training.

ARTICLE 1239.

PARAGRAPH 1. Upon his application there shall be exempt from insurance obligation whoever in the course of a calendar year undertakes work for wages only in specified seasons of the year for not more than 12 weeks or all together for not more than 50 days, but in other respects procures independently his maintenance or is employed without compensation. The exemption is permissible only as long as, according to article 1279, 100 computable weekly contributions have not been paid.

PAR. 2. The Federal Council may determine particulars hereto.

ARTICLE 1240.

PARAGRAPH 1. The local insurance office (decision committee) competent for the place of residence of the person making the application shall decide thereon. If the applicant has no residence in Germany, then the local insurance office of the place of his permanent abode shall decide. On appeal, the superior insurance office shall decide finally.

PAR. 2. Exemption shall be effective from the date of receipt of the application.

ARTICLE 1241.

PARAGRAPH 1. The local insurance office (decision committee) shall revoke the exemption as soon as the prerequisites required thereby are no longer present; upon appeal the superior insurance office shall decide finally.

PAR. 2. The insurance obligation shall again enter into force upon the relinquishment of the exemption and upon its final revocation.

ARTICLE 1242.

Upon the application of the employer, the Federal Council shall specify in how far articles 1234 and 1235, No. 1, articles 1237, 1240 and 1241 shall be applicable to the following:

1. Persons employed in establishments or in the service of other public unions or corporations or as teacher and tutor in nonpublic schools and institutions, if the claims designated in article 1234 have been guaranteed to them or if they are only being trained for their occupation;
2. Persons to whom on the basis of earlier employment in such unions or corporations, schools or institutions, have been guaranteed retirement pensions, part pay, or similar benefits equal to the minimum amount of the invalidity pension according to the rates of the first wage class, and in addition thereto have been guaranteed a claim to survivors' relief (art. 1234);
3. Officials and employees of the court, domanial, cameralistic, forestry, and similar administrations of the State sovereigns, as well as of the ducal regency of Brunswick and the administration of the entailed estates of the princes of Hohenzollern.

II. VOLUNTARY INSURANCE.

ARTICLE 1243.

PARAGRAPH 1. Up to their completed fortieth year of age the following persons are entitled to join the insurance voluntarily (self-insurance):

1. The persons designated in article 1226 under Nos. 2 to 5 and masters of vessels, if their regular annual earnings are more than 2,000 marks [$476] but do not exceed 3,000 marks [$714];
2. Persons carrying on a business and other undertakers of establishments who employ regularly in their establishments either no one or at the most two persons subject to the insurance, as also persons engaged in home work;
3. Persons who are exempt from the insurance according to articles 1227 and 1232.

PAR. 2. When they cease to comply with the conditions which are the basis for self-insurance, those entitled to self-insurance may continue the same or renew it at a later time according to article 1283.

ARTICLE 1244.

Whoever ceases to have the status of a person subject to the insurance may voluntarily continue the insurance or renew it at a later time according to article 1283 (continuation of insurance).

III. WAGE CLASSES.

ARTICLE 1245.

The following classes are created for insured persons on the basis of the amount of the annual earnings:

Class I, up to 350 marks [$83.30];
Class II, over 350 marks [$83.30] and up to 550 marks [$130.90];
Class III, over 550 marks [$130.90] and up to 850 marks [$202.30];
Class IV, over 850 marks [$202.30] and up to 1,150 marks [$273.70];
Class V, over 1,150 marks [$273.70].

ARTICLE 1246.

PARAGRAPH 1. Unless the following provisions specify otherwise, an average amount instead of the actual annual earnings shall be decisive as regards the apportionment to the wage classes.

PAR. 2. The annual earnings shall be considered as the following:

1. For members of a sick fund or of a miner's sick fund, 300 times the basic wage (arts. 180, 181).
2. For seamen insured on the basis of article 1046, number 1, in so far as the imperial chancellor has determined for them an average amount (arts. 1067 to 1071), the amount so determined.
3. Otherwise 300 times the amount of the local wage rate in so far as the superior insurance office has not specified it otherwise for single branches of industry.

PAR. 3. Agricultural establishment officials belong to the third class and teachers and tutors to the fourth class in so far as the former do not show annual earnings in excess of 850 marks [$202.30] and the latter in excess of 1,150 marks [$273.70].

ARTICLE 1247.

If a fixed cash compensation has been agreed upon in advance for periods of weeks, months, quarters, or years and this exceeds the average amount, then the cash compensation is to be used.

ARTICLE 1248.

Insurance in a higher wage class is permitted, but the employer is only then required to pay the higher contribution if he has made an agreement with the insured person to this effect.

ARTICLE 1249.

The insurance institute shall publish the wage classes and the contributions for the individual localities of its district and for each group of insured persons.

SECTION TWO.—BENEFITS OF THE INSURANCE.

I. GENERAL PROVISIONS.

ARTICLE 1250.

The benefits of the insurance consist of invalidity pensions or old-age pensions, as well as pensions, widows' money, and orphans' settlements for the survivors.

ARTICLE 1251.

Invalidity or old-age pensions shall be received by whoever proves the existence of invalidity or of the age specified in the law as well as proof of the waiting term and has kept his claim in force.

ARTICLE 1252.

Relief for survivors shall be granted if the deceased at the time of his death had fulfilled the waiting term for invalidity pensions and had kept the claim alive; widow's money and orphan's settlements shall be granted only if the widow in addition at the time when these benefits became due has herself fulfilled the waiting term for invalidity pensions and has kept the claim alive.

ARTICLE 1253.

Computed from the receipt of the application therefor, no arrears of pension shall be paid for more than one year of the period preceding the application, unless the person entitled has been hindered through conditions which were beyond his control from making the application at the proper time. In such case, the application shall be made within three months after the preventing cause has been removed.

ARTICLE 1254.

PARAGRAPH 1. Whoever purposely makes himself an invalid shall lose the claim to a pension.

PAR. 2. If the insured person or the widow has incurred the invalidity while committing an act which according to the verdict of a court is a crime, or intentional

misdemeanor, then the pension may be denied either wholly or in part. Contraventions of mining regulations or of article 93, paragraphs 2 and 3, and articles 95 to 97, of the Navigation Code, shall not be considered as misdemeanors in the meaning of the preceding sentence. Invalidity pensions or widows' pensions may be either wholly or partly transferred to relatives living in Germany if the insured person or the widow have previously either wholly or partly supported them from their earnings. In the meaning of this paragraph, German protectorates shall be considered as parts of the Empire.

PAR. 3. The pension may also be denied if no verdict of a court has been rendered because of the death, absence, or any other cause connected with the person of the applicant.

II. INVALIDITY PENSIONS.

ARTICLE 1255.

PARAGRAPH 1. Without regard to age, an insured person shall receive an invalidity pension if, as the result of sickness or other infirmity, he has become a permanent invalid.

PAR. 2. That person shall be considered an invalid who is no longer in a condition to earn, through work which corresponds to his powers and abilities, and which with a proper consideration of his education and his previous occupation he may be expected to perform, one-third of that amount which persons physically and mentally sound of the same kind and with similar education are accustomed to earn through labor in the same region.

PAR. 3. Invalidity pensions shall also be received by insured persons who are not permanent invalids, but who have been such during 26 weeks without interruption or have been invalids after the cessation of the pecuniary sick benefit; the compensation shall be paid for the further duration of the invalidity (sickness pensions).

ARTICLE 1256.

The invalidity pension shall commence on the day on which the invalidity begins, but without affecting articles 1253 and 1255, paragraph 3. If the beginning of the invalidity can not be determined, this date shall be considered as the one on which the application for a pension was received by the local insurance office.

III. OLD-AGE PENSIONS.

ARTICLE 1257.

Old-age pensions shall be received by the insured person beginning with the completed seventieth year of life even if he is not an invalid.

IV. BENEFITS OF SURVIVORS.

ARTICLE 1258.

PARAGRAPH 1. The widow's pension shall be received by a permanently invalided widow after the death of her insured husband.

PAR. 2. That widow shall be considered an invalid who is no longer in a condition to earn, through work which corresponds to her powers and abilities, and which with a proper consideration of her education and her previous social status she may be expected to perform, one-third of that amount which physically and mentally sound women of the same kind and with similar education are accustomed to earn through labor in the same region.

PAR. 3. Invalidity pensions shall also be received by widows who are not permanent invalids, but who have been such during 26 weeks without interruption, or have been invalids after the cessation of the pecuniary sick benefit; the compensation shall be paid for the further duration of the invalidity (widows' sickness pensions).

ARTICLE 1259.

Orphans' pensions shall be received after the death of the insured father by his legitimate children under 15 years of age, and after the death of a female insured person by her fatherless children under 15 years of age. Illegitimate children shall also be considered as fatherless.

ARTICLE 1260.

PARAGRAPH 1. After the death of the insured wife of a disabled husband, who during her life has supported her family either wholly or principally out of her earnings, the legitimate children under 15 years of age shall receive orphans' pensions and the husband a widower's pension as long as the indigence lasts.

PAR. 2. In regard to orphans' pensions, this provision shall be applicable even if at the time of the death of the insured person the marriage had been dissolved.

ARTICLE 1261.

PARAGRAPH 1. After the death of the insured wife, whose husband without legal grounds has remained away from the common household and has not complied with his duties of support as a father, the legitimate children under 15 years of age shall receive orphans' pensions as long as they are indigent.

PAR. 2. This provision shall also apply if at the time of the death of the insured, the marriage had been dissolved and the husband has failed to fulfill his duty of support as a father.

ARTICLE 1262.

If the insured person leaves orphan grandchildren under 15 years of age whose support, either wholly or partially, he had defrayed, then they shall receive orphan's pensions as long as they are indigent.

ARTICLE 1263.

The pensions of the survivors begin with the date of death of the one furnishing the support. If the widow on this date was not yet an invalid, then the beginning of the pension shall be determined by article 1256 or article 1258, paragraph 3.

ARTICLE 1264.

The widow's money shall become due at the death of the husband and orphan's settlements at the completion of the fifteenth year of the lives of the children.

ARTICLE 1265.

PARAGRAPH 1. The legal benefits shall also be granted in cases when the insured person is missing. He shall be considered as missing if during one year no trustworthy news has been received concerning him and the circumstances make his death seem probable.

PAR. 2. The local insurance office may demand from the survivors a solemn declaration that they have received no news concerning the existence of the missing person other than that which they have reported.

ARTICLE 1266.

The date of the death of the missing person shall be fixed by the insurance institute according to its own discretion. Article 1100, paragraph 1, shall be applicable as regards persons who have disappeared while at sea.

ARTICLE 1267.

Survivors shall have no claim to the benefits if they have intentionally brought about the death of the insured person.

ARTICLE 1268.

PARAGRAPH 1. The claim of the survivors of a foreigner, if they at the time of his death did not customarily live in Germany, shall be limited to one-half of the benefits without the imperial subsidy.

PAR. 2. The Federal Council may suspend this limitation for foreign border territories or for subjects of such foreign States whose legislation guarantees corresponding relief.

PAR. 3. In the meaning of paragraph 1, German protectorates shall be considered as parts of the Empire.

V. MEDICAL TREATMENT.

ARTICLE 1269.

In order to prevent impending invalidity of an insured person or of a widow resulting from sickness, the insurance institute may inaugurate a course of medical treatment.

ARTICLE 1270.

PARAGRAPH 1. The insurance institute may in particular place the insured person in a hospital or in an institution for convalescents.

PAR. 2. If the sick person is married and lives together with his family or has a household of his own, or is a member of the household of his family, then his consent thereto shall be required.

PAR. 3. In the case of a minor person, his consent shall be sufficient.

ARTICLE 1271.

The relatives of the sick person whose support he has either wholly or principally defrayed out of his earnings shall, during the course of treatment (art. 1270) receive house money even in cases where he has no claim against the sick fund, the miners' sick fund, or the substitute fund. It shall amount to one-fourth of the local wage for an adult day laborer. If, however, up to the assumption of the matter by the insurance institute, the sick person was subject to the sickness insurance, the house money shall be based on the provisions of the sickness insurance for that time also for which the obligation of the sick fund no longer exists. An invalidity pension or widow's pension may be either wholly or partly refused for the duration of the course of treatment. The house money shall not be paid, for the time and to the extent that wages or salary are paid, on the basis of a legal claim.

ARTICLE 1272.

If the sick person without legal or other reasonable ground declines to receive the medical treatment (art. 1269) and if the invalidity could probably have been prevented through the medical treatment, then the pension may, for the time being, be refused either wholly or partly if the sick person has been notified of this consequence.

ARTICLE 1273.

In regard to controversies which have not been settled on the determination of the pension, the superior insurance office shall decide finally upon the appeal.

ARTICLE 1274.

With the approval of the supervisory authority, the insurance institute may expend its funds to promote or to carry out general measures for the prevention of premature invalidity among insured persons or improve the health conditions of the population subject to the insurance. Approval may also be granted for the expenditure of lump sums.

VI. PAYMENTS IN KIND INSTEAD OF PENSIONS.

ARTICLE 1275.

PARAGRAPH 1. With the approval of the higher administrative authority, the communes or unions of communes may by legal enactment specify that pensions up to two-thirds of their amount shall not be paid in cash but in kind. This shall apply only to pensioners who reside in the district: *Provided*, That these or those supporting them receive no wages as agricultural workers, but according to local custom are paid either wholly or partly in kind, and provided a mutual agreement is reached concerning the payment in kind instead of a pension.

PAR. 2. In the case of orphans' pensions, the consent of the guardian shall be required in addition. The latter must secure the approval of the orphans' court.

PAR. 3. The value of the commodities shall be determined by the higher administrative authority according to the average prices.

ARTICLE 1276.

PARAGRAPH 1. Payments in kind shall be granted by the commune of the place of residence. The claim to the pension shall be transferred to the commune to the extent of the value of the payments in kind.

PAR. 2. The local insurance office (decision committee) shall decide controversies between the commune and the beneficiary. The superior insurance office shall decide finally upon appeal.

PAR. 3. If the claim to the pension has been transferred to the commune finally, then the insurance institute shall notify the Post Office Department.

ARTICLE 1277.

PARAGRAPH 1. The constitution of the insurance institute may authorize the directorate to place the pensioner, upon his application, in a home for invalids or orphans' home or in a similar institution and use the pension either wholly or partly for this purpose.

PAR. 2. Invalid homes and similar institutions shall be considered as hospitals, asylums, and medical institutions in the meaning of article 11, paragraph 2, and article 23, paragraph 2, of the law relating to the place of residence as regards the claim for support (Reichs-Gesetzblatt, 1908, p. 381).

PAR. 3. Placing the pensioner in such an institution operates as relinquishment of the pension for one-quarter of a year, and if he does not object to the same within one month before the expiration of this time, each time for an additional quarter of a year.

VII. WAITING TERM.

ARTICLE 1278.

The duration of waiting term shall be—

1. In the case of invalidity pensions, if on the basis of the insurance obligation at least 100 contributions have been paid for the insured, 200 and in other cases 500 contributory weeks.
2. In the case of old age-pensions, 1,200 contributory weeks.

ARTICLE 1279.

PARAGRAPH 1. The contributions for voluntary insurance shall be included in the waiting term for invalidity pensions only if at least 100 contributions on the basis of the insurance obligation or of self-insurance have been paid.

PAR. 2. This shall not apply to the contributions which the insured person has voluntarily paid in the first four years after his branch of industry has become subject to the insurance.

VIII. EXPIRATION OF THE CLAIM.

ARTICLE 1280.

The claim shall cease if, during two years after the date of issue designated on the receipt card (art. 1416), less than 20 weekly contributions have been paid on the basis of the insurance obligation or of the continuation of the insurance.

ARTICLE 1281.

In the meaning of article 1280, the following periods are to be counted as weekly contributions:

1. Periods of military service, and of sickness (arts. 1393 and 1394).
2. The periods of employment not subject to the insurance during which the claimant or the deceased has received an invalidity or old-age pension from a sick fund or special institute of the kind designated in articles 1321, 1360, and 1375, or has received an accident pension equal to at least one-fifth of the full pension.

ARTICLE 1282.

In the case of self-insurance and its continuation, there must have been paid for the maintenance of the claim at least 40 contributions during the period designated in article 1280. This shall not apply if on the basis of the insurance obligation more than 60 contributions have been paid.

ARTICLE 1283.

PARAGRAPH 1. The claim shall again become effective if the insured person again takes up an employment subject to the insurance or if he renews the insurance status through voluntary payment of contributions and accordingly has completed a waiting term of 200 contributory weeks.

PAR. 2. If the insured person by again taking up the employment subject to the insurance, or by renewing the insurance status through voluntary payment of contributions, has completed the sixtieth year of life, then the claim shall only become effective if before the time when the claim expires he has made use of at least 1,000 contributory stamps.

PAR. 3. If the insured person has completed the fortieth year of life, then the claim shall become effective through voluntary payment of contributions, only if before the expiration of the claim he has used 500 contributory stamps, and accordingly has completed a waiting term of 500 contributory weeks.

IX. COMPUTATION OF INSURANCE BENEFITS.

ARTICLE 1284.

PARAGRAPH 1. The insurance benefits consist of a fixed imperial subsidy and of a share from the insurance institute.

PAR. 2. If the full pension amounts are not paid, then the shares of the Empire and of the insurance carrier shall be correspondingly reduced.

ARTICLE 1285.

The imperial subsidy shall consist of 50 marks [$11.90] annually for each invalidity pension, old-age pension, widow's pension, widower's pension, and 25 marks [$5.95] for each orphan's pension, single payments of 50 marks [$11.90] for each widow's money, and 16⅔ marks [$3.97] for each orphan's settlement.

ARTICLE 1286.

The share of the insurance institute shall be based on the contributions and on the periods of military service and sickness which are considered as contributory weeks.

ARTICLE 1287.

In the case of invalidity pensions the insurance institute pays a basic amount and the supplementary increases; in the case of survivors' pensions, of widows' money and of orphans' settlements, it pays a part of the basic amount and of the supplementary increases, and in the case of old-age pensions a fixed annual amount.

ARTICLE 1288.

PARAGRAPH 1. The basic amount of the invalidity pension shall always be computed upon 500 contributory weeks. If less than this number are proved, then the number lacking shall be added from wage class I; if there are more than this number, then the contributions in excess which have been paid in the lower wage classes shall not be considered.

PAR. 2. For each contributory week there shall be credited the following:

	Pfennigs.	
In wage class I	12	[$0.029]
In wage class II	14	[.033]
In wage class III	16	[.038]
In wage class IV	18	[.043]
In wage class V	20	[.048]

ARTICLE 1289.

The supplementary increase of the invalidity pension shall for each contributory week amount to the following:

	Pfennigs.	
In wage class I	3	[$0.007]
In wage class II	6	[.014]
In wage class III	8	[.019]
In wage class IV	10	[.024]
In wage class V	12	[.029]

ARTICLE 1290.

For each contributory week, one contribution only shall be considered. If a larger number of contributory weeks has been affixed and the stamps in excess can not be determined, then the contributions of the lowest wage classes are to be stricken out until only the highest amount permissible remains.

ARTICLE 1291.

If the beneficiary of the invalidity pension has children under 15 years of age, then the invalidity pension shall be increased for each child by one-tenth, but not to exceed one and one-half times the amount of the invalidity pension.

ARTICLE 1292.

In the two cases stated herewith the share of the insurance institute equals the specified part of the basic amount and of the supplementary increases of the invalidity pension which the one providing the support at the time of his death had received or in the case of invalidity would have received. These cases are the following:

In the case of widows' pensions and widowers' pensions, three-tenths of the basic amount and of the increases;

In the case of orphans' pensions, for one orphan three-twentieths, for each additional orphan one-fortieth, of the basic amount and of the increases.

ARTICLE 1293.

PARAGRAPH 1. The share of the insurance institute in old-age pensions amounts to the following:

	Marks.
In wage class I	60 [$14.28]
In wage class II	90 [21.42]
In wage class III	120 [28.56]
In wage class IV	150 [35.70]
In wage class V	180 [42.84]

PAR. 2. For contributions of different wage classes the corresponding average shall be granted. If more than 1,200 contributory weeks are proved, then the contributions in excess which have been made in the lowest wage class shall not be considered.

ARTICLE 1294.

PARAGRAPH 1. The pensions of the survivors may not together amount to more than one and one-half times the invalidity pension which the deceased at the time of death was receiving or in the case of invalidity would have received.

PAR. 2. Orphans' pensions alone may not together amount to more than this invalidity pension.

PAR. 3. If the pensions together add to a higher amount, then they shall be reduced in proportion to their size.

PAR. 4. Grandchildren have a claim only in so far as the highest amount allowable does not accrue to the children.

ARTICLE 1295.

Whenever one survivor ceases to receive a pension the pensions of the others are raised to the highest amount allowable.

ARTICLE 1296.

The widow's money shall be equal to 12 times the monthly amount of the widow's pension, and the orphan's settlement 8 times the monthly amount received as orphan's pension.

ARTICLE 1297.

The pension shall be paid in monthly installments in advance and rounded upward to full sums of 5 pfennigs [1.19 cents].

X. CESSATION OF THE BENEFITS.

ARTICLE 1298.

The widow's pension and the widower's pension shall cease in the case of remarriage.

ARTICLE 1299.

The orphan's pension shall cease as soon as the orphan has completed the fifteenth year of life.

ARTICLE 1300.

The claim to widow's money expires if the claim has not been filed within one year after the death of the husband.

ARTICLE 1301.

PARAGRAPH 1. For the month of death and the month during which the payment ceases the pension shall be paid in full, subject to articles 1295 and 1318.

PAR. 2. In cases where there is a part of a month, including in addition to the pension of the insured person that of the survivors, then they shall claim the higher amount.

ARTICLE 1302.

If at the death of the beneficiary the pension due has not been collected, then those entitled to receive the same are eligible in the order named: The husband or wife, the children, the father, the mother, the brothers and sisters, provided that at the time of his death they were living with the beneficiary in a common household.

ARTICLE 1303.

PARAGRAPH 1. If an insured person or a person entitled to receive a widow's pension and widower's pension, or widow's money, dies after he has filed his claim, then the following in the order named are entitled to continue the procedure and to receive the amounts due up to the date of death, namely, the husband or wife, the children, the father, the mother, the brothers and sisters, provided that at the time of his death they were living with the one entitled thereto in a common household.

PAR. 2. If the orphan entitled to an orphan's settlement dies before its payment, then the local insurance office at its own discretion shall specify to whom it is to be paid.

XI. WITHDRAWAL OF THE PENSION.

ARTICLE 1304.

If the beneficiary of an invalidity pension or widow's pension because of an important change in his condition is no longer an invalid in the meaning of articles 1255 and 1258, then the insurance institute shall withdraw the pension.

ARTICLE 1305.

If it is to be expected that a course of medical treatment would restore the earning capacity of the beneficiary of an invalidity pension, widow's pension, or widower's pension, then the insurance institute may inaugurate such treatment. In such cases articles 1270, 1271, and 1273 are correspondingly applicable. The relatives of the beneficiaries of widow's pensions or of widower's pensions shall receive no house money.

ARTICLE 1306.

If the pensioner without legal or other reasonable ground therefor declines to receive the course of medical treatment, and thereby hinders the removal of invalidity, or if he declines without reason to submit to a subsequent investigation or observation carried on in a hospital, then the pension may for the time be withdrawn either wholly or partly: *Provided*, That he has been notified of this consequence.

ARTICLE 1307.

Widowers' pensions and orphans' pensions which have been granted according to articles 1260 to 1262 shall be withdrawn by the insurance institute as soon as the indigence of the recipient has ceased.

ARTICLE 1308.

The decision which withdraws the pension shall become effective on the expiration of the month following its communication.

ARTICLE 1309.

If the invalidity pension or widow's pension has been granted anew or has been granted in the place of a sickness pension, or if an old-age pension is granted, then the

time of the previous receipt of the pension by the insured person shall be included in the computation in the same manner as is done for a proved period of sickness (art. 1394, par. 2). During the time of the previous receipt of the pension the claim shall not expire.

ARTICLE 1310.

If it is proved that the insured person who was considered to have disappeared is still alive, then further payments of the pension shall be suspended. The insurance institute does not need to demand the return of the pension paid without right.

XII. SUSPENSION OF THE PENSION—CAPITAL SUM SETTLEMENTS.

ARTICLE 1311.

PARAGRAPH 1. The pension shall be suspended if it is received at the same time as an accident pension granted under the imperial laws herewith and if the two together exceed—

1. In the case of invalidity pensions and old-age pensions, seven and one-half times the basic amount of the invalidity pension;
2. In the case of widow's pensions and widower's pensions three and one-half times, in the case of orphans' pensions three times, the basic amount of the invalidity pensions which the one providing the support at the time of his death was receiving or in the case of invalidity would have received.

ARTICLE 1312.

PARAGRAPH 1. The pension shall be suspended as long as the beneficiary serves a prison term of more than one month or is placed in a workhouse or in a reformatory.

PAR. 2. If he has relatives in Germany whom he is supporting either wholly or principally from his earnings, then the invalidity pension or old-age pension shall be transferred to them.

ARTICLE 1313.

The pension shall be suspended—

1. As long as the person entitled thereto customarily remains in a foreign country of his own free will.
2. As long as a foreign beneficiary is expelled from the territory of the Empire on the basis of condemnation in a penal procedure. The same applies to a foreign beneficiary who has been expelled from the territory of a federal State because of condemnation in a penal procedure, as long as he does not stay in another federal State.

ARTICLE 1314.

The Federal Council can suspend the stopping of a pension for foreign border territories or for such foreign States whose legislation guarantees a corresponding relief to Germans or their survivors.

ARTICLE 1315.

In the meaning of articles 1312 and 1313 German protectorates shall be considered as parts of German territory.

ARTICLE 1316.

In the case mentioned in article 1313, No. 1, a foreign beneficiary is to receive in settlement an amount equal to three times, or if the matter relates to an orphan's pension an amount equal to one and one-half times, the amount of his annual pension.

ARTICLE 1317.

With their consent, the same settlements may be granted to those foreigners who—

1. Except in the cases mentioned in articles 1313, No. 2, have left the territory of the Empire on the basis of a decree issued by a German authority.
2. Are entitled to the receipt of the pension on the basis of a decree issued by the Federal Council according to article 1314.

ARTICLE 1318.

If the prerequisites complied with entitle anyone to several pensions on the basis of the invalidity and survivors' insurance, then the smaller pensions shall be suspended beginning with the date of the combined right.

XIII. SPECIAL POWERS OF THE INSURANCE INSTITUTES.

ARTICLE 1319.

If, on new investigation, the insurance institute becomes convinced that pensions have been improperly denied, withdrawn, suspended, or have been determined at too small an amount, then the institute can make a new determination.

ARTICLE 1320.

The insurance institute need not demand the return of the pension sums which it has had to pay under the law before a decision of legal force has been made.

XIV. RELATION TO OTHER CLAIMS.

ARTICLE 1321.

PARAGRAPH 1. Factory funds, seamen's funds, and similar funds can reduce the invalidity, old age, and survivors' relief which they give their members insured under the imperial laws by not more than the value of the imperial benefits of this kind. They must then correspondingly reduce all contributions, or if the employers agree thereto at least those of the members of the fund. The same applies to miners' associations or miners' funds as regards invalidity and old age relief.

PAR. 2. Benefits provided under the rules of the constitution which the fund had granted before the decision of the competent authorities or before January 1, 1891, may not be reduced.

PAR. 3. The requisite orders for this purpose are to be introduced by the funds through amendments to the constitution; these must be approved by the competent authority. The authorities can themselves validly inaugurate amendments if the fund declines the application of the employers affected or of a majority of the members.

PAR. 4. The contributions need not be reduced if the savings made in the payment of these benefits are either necessary in order to cover the outstanding benefits of the fund, or are used according to the constitution and with the approval of the supervisory authority for the purpose of the welfare institutions for establishment officials, workmen, or their survivors.

PAR. 5. In the case of paragraph 3, sentence 2, the Federal Council shall specify the procedure before the imperial supervisory office for private insurance.

ARTICLE 1322.

PARAGRAPH 1. The benefits which miners' associations or miners' funds grant to the survivors of their members insured according to the imperial law shall be reduced by one-half of the value of the benefits of the same kind given under imperial law. The benefits including the amounts received according to the imperial law must exceed by not less than the amount of the imperial subsidy the benefits granted according to the constitution without the deduction. Corresponding to the reduction of the benefits all of the contributions must be reduced, or if the employers agree thereto at least the contributions of the members. In controversies regarding the extent of the reduction of the contributions the supervisory authority shall decide.

PAR. 2. The constitution may specify that the benefits and correspondingly the contributions may be reduced by a smaller amount or shall not be reduced at all.

PAR. 3. Benefits under the constitution which have been granted before the decision of the competent authorities or before this provision enters into force may not be reduced.

ARTICLE 1323.

Article 1281, No. 2, and articles 1321 and 1322 shall also be applicable to such funds required to provide invalidity, old age, and survivors' relief for which membership is compulsory under local laws.

ARTICLE 1324.

Pension claims may only be reduced by deducting from them the following:
Claims for reimbursement on account of accident pension and compensation paid in so far as the insurance institute has a claim thereon according to article 1522, paragraph 3, and article 1542;
Arrears of contributions;
Advances paid out;
Pension amounts paid without right;
Reimbursement of costs of procedure;
Fines imposed by the insurance institutes.

ARTICLE 1325.

Subject to the conditions of article 119, paragraph 2, widows' money and orphans' settlements may not be transferred, executed, pledged, or reduced.

SECTION THREE.—CARRIERS OF THE INSURANCE.

A. INSURANCE INSTITUTES.

I. EXTERNAL FEATURES.

1. Establishment.

ARTICLE 1326.

PARAGRAPH 1. Insurance institutes shall be established for the territory of the federal State for the unions of communes or other parts of territory in accordance with the provisions of the State governments.

PAR. 2. For several federal States or parts of their territory as well as for their unions of communes a common insurance institute may be established.

PAR. 3. Insurance institutes which have been established under the law of June 22, 1899, shall retain their present status subject to the changes permissible under articles 1332 to 1337.

ARTICLE 1327.

The establishment of the insurance institute shall require the approval of the Federal Council. If the council refuses this approval, then after a hearing of the State governments affected, it can itself order the establishment of the institute.

ARTICLE 1328.

The State government shall specify the seat of insurance institute. If the insurance institute extends over several federal States, then the State governments affected shall specify the seat.

2. Local competence.

ARTICLE 1329.

The insurance institute shall include all persons employed in its district (arts. 153 to 156) who do not comply with their insurance obligation in the special institutes. If persons are employed in an establishment whose seat is located in the district of another insurance institute, then with the approval of the insurance institute affected they may also be insured in the institute of the seat of the establishment. The members of an establishment sick fund must, upon application of the employer, be insured at the seat of the establishment.

ARTICLE 1330.

If an establishment which has its seat in Germany employs temporarily persons in a foreign country, these persons must be insured in the insurance institute of the seat of the establishment.

ARTICLE 1331.

Subject to other provisions of the Federal Council, the place of employment of foreign vessels engaged in inland navigation shall be considered to be in the seat of that insurance institute in whose district the vessel first enters when crossing the boundary.

3. Changes in the districts.

ARTICLE 1332.

PARAGRAPH 1. The districts of the insurance institute may be changed if the committee (art. 1351) or a federal State affected applies therefor and the Federal Council approves. Before making the decision, the committees and State governments affected shall be heard. In the case of insurance institutes for the districts of unions of communes, their representatives may also apply for changes and must otherwise be heard before changes are made.

PAR. 2. With the approval of the Reichstag insurance institutes may be combined, divided, or dissolved.

ARTICLE 1333.

The district of the insurance institute changes automatically whenever the district of the administration is changed.

ARTICLE 1334.

If local districts separate themselves from an insurance institute, then the latter shall retain their assets and the existing obligations.

ARTICLE 1335.

If an insurance institute is dissolved, then the State governments affected may transfer to the institutes receiving the same, the assets with all the rights and duties, or it may approve the assumption of the same by another institute. Otherwise the assets shall be transferred to the unions of communes or federal States affected, and in the case of common institutes shall be divided pro rata.

ARTICLE 1336.

If in the case of the dissolution of a common insurance institute the unions of communes or the federal States can not agree as to the shares of the assets to be turned over to them, then the Federal Council shall decide herein or in case only unions of communes of one federal State are affected, the highest administrative authority.

ARTICLE 1337.

In controversies between the insurance institutes in regard to the distribution of assets, the decision senate of the Imperial Insurance Office or of the State insurance office (art. 1382) shall decide, in the absence of an agreement to secure a decision from an arbitration court.

II. INTERNAL FEATURES.

1. Constitution.

ARTICLE 1338.

The committee shall decide upon the constitution. It must give the seat and district of the insurance institute and must specify the following:

1. Name of the insurance institute;
2. Number of representatives of the employers and of the insured persons in the directorate;
3. Subjects concerning which the cooperation of the representatives of the employers and insured persons in the directorate is required in discussion and in decisions;
4. Number of members, summoning, rights and duties of committees, appointment of its chairman, manner of making decisions, as well as representation as to third parties in the case of article 1354, paragraph 1, sentence 1;
5. Form of the declaration of the decisions of the directorate as well as its signature on behalf of the insurance institute, manner of making decisions of the directorate, and its representation as to third parties;
6. Representation of the institute as against the directorate;
7. Size of allowances according to article 21, paragraphs 2 and 3;
8. Drawing up preliminary estimates;
9. Drawing up and accepting the annual balance sheet in so far as the higher administrative authorities do not provide therefor;
10. Publication of the accounts;
11. Method of publishing notices;
12. Provisions as to the amendment of the constitution.

ARTICLE 1339.

The constitution must have the approval of the Imperial Insurance Office or of the State insurance office (art. 1382). If the approval is to be refused, then the decision senate shall decide thereon. The reasons for the refusal are to be stated. If the approval is refused, then the Federal Council shall decide upon appeal.

ARTICLE 1340.

If the refusal is finally refused, then within the time specified by the Imperial Insurance Office or the State insurance office the committee must decide upon a new constitution. If they reach no decision or if the new constitution is likewise not approved finally, then the Imperial Insurance Office or the State insurance office shall issue a constitution and decree the necessary steps for its execution at the cost of the institute.

ARTICLE 1341.

The constitution may be amended only with the approval of the Imperial Insurance Office or the State insurance office. If the approval is to be refused, then the decision senate shall decide thereon. The reasons for refusal are to be stated. If the approval is refused, the Federal Council shall decide upon appeal.

2. Directorate.

ARTICLE 1342.

The directorate shall administer the institute in so far as the law or constitution do not provide otherwise.

ARTICLE 1343.

The directorate shall have the powers of a public authority. One or more officials of the union of communes or of the federal State for which the insurance institute has been created shall conduct its business.

ARTICLE 1344.

PARAGRAPH 1. The unions of communes or highest administrative authority shall, according to the provisions of the State law, appoint the official members of the directorate and shall designate one of them as chairman.

PAR. 2. If the insurance institute extends over several unions of communes, then the highest administrative authority or the unions of communes designated by the latter shall take this action.

PAR. 3. If the insurance institute extends over several federal States, then the highest administrative authorities affected shall decide in regard to the appointment of the official members of the directorate.

ARTICLE 1345.

Article 33 shall not apply as regards the service relations of the official members of the directorate (art. 1344).

ARTICLE 1346.

PARAGRAPH 1. As nonofficial members, there shall belong to the directorate representatives of the employers and of the insured persons in equal numbers. They must reside in the district of the insurance institute.

PAR. 2. If the number of official members is greater than the number of nonofficial members, then in making the decisions that number of official members shall separate themselves as will arrange that the nonofficial members are in a majority. The constitution shall regulate the details hereto.

ARTICLE 1347.

The constitution can provide that still other salaried or unsalaried members shall belong to the directorate. The committee shall specify the conditions of appointment of the salaried members. Article 1346, paragraph 2, is here correspondingly applicable.

ARTICLE 1348.

In so far as the office, accounting and subordinate officials employed by the institute who are not substitutes are not State or communal officials according to State law, then the State government shall confer upon them the rights and duties of State or communal officials.

ARTICLE 1349.

The insurance institute shall provide for the salary, etc., of the officials and subordinates as well as their survivors.

ARTICLE 1350.

The directorate shall publish in the Reichsanzeiger and in the official gazette of the highest administrative authority the name, seat, and district of the insurance institute as well as the name of the chairman and, in addition, the changes therein.

3. Committee.

ARTICLE 1351.

PARAGRAPH 1. Each insurance institute shall have a committee. It shall consist of one-half each of representatives of employers and of the insured persons and shall comprise at least 10 members.

PAR. 2. The latter shall be elected by the insurance representatives in the local insurance offices of the district of the insurance institute, and the representatives of the employers and of the insured persons shall be elected in separate elections.

PAR. 3. The representatives must reside in the district of the insurance institute.

ARTICLE 1352.

PARAGRAPH 1. The highest administrative authority shall issue election regulations and shall conduct the election through an authorized representative. If the insurance institute extends over several federal States, the highest authorities affected shall specify which of them shall conduct the same.

PAR. 2. For each representative at least two substitutes shall be elected. They shall take his place if he is unable to fulfill his duties, and, if he leaves the institute, they shall fill the office for the rest of the term in the order of their election.

PAR. 3. In controversies over elections, that authority shall decide which is to issue election regulations.

ARTICLE 1353.

The following matters are reserved to the committee:

1. Election of the nonofficial members of the directorate;
2. The determination of the preliminary estimates;
3. The acceptance of the annual balance sheet;
4. The amendment of the constitution.

ARTICLE 1354.

PARAGRAPH 1. In purchasing, selling, or mortgaging pieces of ground valued at more than 1,000 marks [$238], the institute shall be represented by the directorate and by the committee. In so far as matters relate to the purchase at compulsory sales of pieces of ground on which the insurance institute has made loans, the directorate alone shall be authorized to act as representative.

PAR. 2. The directorate must obtain the consent of the committee to form reinsurance federations.

ARTICLE 1355.

The preliminary estimates must be placed before the supervisory authority at least two weeks before the committee decides thereon. It must correct the estimate if it violates the law or constitution or endangers the solvency of the insurance institute as regards the legal obligation resting upon it. If the committee does not consider the objections, then the chairman of the directorate must appeal to the supervisory authority (art. 8). He is required to take this action if the supervisory authority demands the same. The decision senate decides thereon.

4. Administration of the assets.

ARTICLE 1356.

PARAGRAPH 1. The insurance institute must invest at least one-fourth of its assets in bonds of the Empire or of the federal States.

PAR. 2. The institute may invest not more than one-half of its assets otherwise than as specified in articles 26 and 27. For this purpose it shall secure the approval of the Imperial Insurance Office or of the State insurance office (art. 1382).

PAR. 3. If an insurance institute desires to invest more than one-quarter of its assets according to paragraph 2, it shall also secure thereto the approval of the communal union or of the highest administrative authority. If the district of the insurance institute extends over several States, then the approval of their highest administrative authorities is required.

PAR. 4. Such investment (pars. 2 and 3) is permissible only in securities and in other ways only for purposes of administration, to avoid the loss of assets or for undertakings which exclusively or principally accrue to the welfare of those subject to the insurance.

ARTICLE 1357.

Approval (art. 1356, pars. 2 and 3) is required in the following cases:

For the purchase of pieces of ground valued at more than 5,000 marks [$1,190];

For the erection of buildings valued at more than 10,000 marks [$2,380];

For the purchase of necessary articles of furniture, the total value of which is more than 5,000 marks [$1,190].

PAR. 2. Approval is not necessary for the purchase of pieces of ground in the cases mentioned in article 1354, paragraph 1, sentence 2.

ARTICLE 1358.

PARAGRAPH 1. The Imperial Insurance Office shall regulate the method and form of the accounting.

PAR. 2. The insurance institutes must make reports to the Imperial Insurance Office in regard to their business and finances according to the order of the latter. The Imperial Insurance Office shall each year draw up a report concerning the total financial operations of the preceding fiscal year and must lay the same before the Reichstag.

5. General provisions.

ARTICLE 1359.

PARAGRAPH 1. If the directorate or the committee has not been formed or if they refuse to carry on their business, then the chairman of the directorate himself or through authorized agents shall conduct the business at the cost of the insurance institute.

PAR. 2. In so far as the election of representatives does not take place or if they decline to perform their duties, the chairman of the local insurance office shall appoint them from among the eligible persons.

B. SPECIAL INSTITUTES.

1. General provisions.

ARTICLE 1360.

PARAGRAPH 1. Upon application of the competent authority, the Federal Council shall specify which institutes of the Empire, of a federal State, or of a union of communes, shall be admitted as special institutes and the date thereof.

PAR. 2. Upon application the Federal Council may also admit other special institutes.

PAR. 3. The special institutes must comply with the conditions specified in articles 1361 to 1366.

ARTICLE 1361.

The benefits of the special institutes must be of at least equal value with the legal benefits of the insurance institute.

ARTICLE 1362.

The contributions of the insured persons for the benefits of the imperial law may only exceed one-half of the legal amount (art. 1392) if it is necessary through the special manner of computation of the special institute in variance with article 1389. They may also not be higher than the contributions of the employers.

ARTICLE 1363.

In the administration of the special institutes insured persons must participate by representatives who have been designated in a secret election. Their number must be not less than that corresponding to the ratio of the contributions of the insured persons to those of the employers.

ARTICLE 1364.

In computing the waiting term and the pension for a claim according to the imperial law the period of contributions during membership in other special institutes and insurance institutes must be included.

ARTICLE 1365.

The procedure as regards the claims to invalidity, old age, and survivors' benefits, corresponding to the benefits of the imperial law, must be regulated according to the provisions of this law.

ARTICLE 1366.

If the special institute collects special or increased contributions for the benefits of the imperial law, then they may add these to their other benefits only in so far as they add to each pension of the imperial law at least the amount of the imperial subsidy.

ARTICLE 1367.

Membership in a special fund institution (*besondere Kasseneinrichtung*) admitted to insurance (arts. 8, 10, and 11 of the invalidity insurance law), or in a special institute, shall be considered as equal to insurance in an insurance institute.

ARTICLE 1368.

The special institutes receive the imperial subsidy to their benefits according to the imperial law.

ARTICLE 1369.

For the pension of a person insured in a special institute, that wage class for each week of membership after January 1, 1891, shall be used to which they would have belonged on the basis of their actual wages had they belonged to an insurance institute. If they were at the same time members of a sick fund or a miner's fund, then the wage class shall be arranged according to article 1246, paragraph 2, No. 1 or 3, and article 1247.

ARTICLE 1370.

If the special institute does not collect the contributions by means of stamps, then for persons leaving, it must certify the duration of their participation and their wage class as well as the duration of the periods of military service and sickness (arts. 1393 and 1394). The Federal Council may specify the form and contents of the certificate.

ARTICLE 1371.

Persons entitled to insurance in establishments for which a special institute exists may insure themselves only in the latter voluntarily, and in the case of leaving the employment can continue the insurance only in the special institute (art. 1243). Persons subject to insurance engaged in such establishments may, if they leave their employment without becoming subject to the insurance elsewhere, extend their insurance only in the special institute (art. 1244).

ARTICLE 1372.

In the case of a special institute, the following provisions are correspondingly applicable:

I. Provisions of Book One concerning—
1. The accounting bureau (art. 103);
2. Legal remedies (arts. 115 to 117);
3. Transferring, assigning, and execution of claims (arts. 119).
4. Time limits (arts. 124 to 134);
5. Fees and stamp taxes (arts. 137 and 138);

II. Provisions of Book Four concerning—
6. Medical treatment (arts. 1296 to 1274);
7. Withdrawal of the invalidity, widows' and widowers' pensions (arts. 1304 to 1309);
8. Suspension of the pension and settlement in form of a capital sum (arts. 1311 to 1318);
9. New determination and demand for the return of the pension sums (arts. 1319 and 1320);
10. The relations of the claims of persons insured under the imperial law to the claims of miners' associations or miners' funds, factory funds, seamen's funds, and similar funds (arts. 1321 and 1322);
11. Deductions from claims (arts. 1324 and 1325) and transferring, execution, and assigning of widows' money and orphans' settlements (art. 1325);
12. Changes in the districts (arts. 1322 to 1337);
13. Obligation regarding the investment of at least one-fourth of the assets in the bonds of the Empire or of the federal States, and the reporting of accounting operations to the Imperial Insurance Office (art. 1356, par. 1, and art. 1358, par. 2);
14. Payments through the Post Office Department (arts. 1383 to 1386) in so far as the special institutes do not make payments directly;
15. The general cost and the special cost (arts. 1395 to 1399) and reinsurance federations (art. 1401);
16. Distributions and payments of the insurance benefits and the transferring of the sums to the post office (arts. 1403 to 1410);
17. Payment of the contributions for a previous period (arts. 1442 to 1444);
18. The decision in controversies in the case mentioned in article 1460;
19. The voluntary additional insurance (arts. 1472 to 1483).

III. The provisions of Book Five concerning—
20. The relations of the carriers of the sickness and of the accident insurance to the carriers of the invalidity and survivors' insurance (arts. 1518 to 1526);
21. The relations to other parties liable to pay benefits in so far as they are regulated in articles 1527, 1531, 1536 to 1543.

ARTICLE 1373.

The Empire or the union of communes affected is liable for the benefits if the special institute serves their establishments; otherwise the federal State of the seat of the establishment is liable. If several federal States participate, then they are liable in shares according to the number of insured persons who at the close of the last fiscal year were employed in the establishments. In like manner, the liability is regulated as concerning the distribution of assets (arts. 1334 to 1336).

ARTICLE 1374.

PARAGRAPH 1. For the determination of the amount which the special institute shall turn over to the general assets, the contributions shall be decisive (art. 1392). The benefits of the special institute shall be distributed only in so far as they correspond to the provisions of the imperial law.

PAR. 2. The imperial subsidy shall at the close of each fiscal year be paid over to the special institutes which make their payments themselves without the intervention of the post office.

2. Special institute of the navigation accident association.

ARTICLE 1375.

Upon the decision of the Federal Council, the navigation accident association may create on its own liability a special institute corresponding to the provisions of the imperial law. It must include the persons who are employed in the establishments

of the association or in single kinds of these establishments and also the undertakers who at the same time are subject to the accident insurance and invalidity, and survivor's insurance. Both groups are insured in the special institute by authority of the law.

ARTICLE 1376.

If the insured persons are called on for contributions, then they are to participate in the administration in the same manner as employers.

ARTICLE 1377.

The employers' share in the contributions may on the average be not less than one-half of the legal contributions (art. 1392). The contributions of the insured persons may not be higher than those of the employers.

ARTICLE 1378.

PARAGRAPH 1. If the contributions of the insured persons are graded, then the pensions for the survivors are to be correspondingly graded.

PAR. 2. The waiting term may not be longer than that of the imperial law.

ARTICLE 1379.

The special institute of the navigation accident association shall have in other respects the same status as other special institutes. Articles 1355 to 1358 shall apply to it without restriction. It shall be subject to the supervision of the Imperial Insurance Office.

ARTICLE 1380.

PARAGRAPH 1. The creation of the special institute, its constitution, and the amendment thereof shall require the approval of the Federal Council. It shall make the decision after having heard the nonpermanent members of the Imperial Insurance Office, elected for the scope of the navigation insurance as representatives of the employers and the insured persons.

PAR. 2. The Federal Council shall specify the date on which the institution shall come into operation.

SECTION FOUR.—SUPERVISION.

ARTICLE 1381.

The Imperial Insurance Office shall conduct the supervision of the insurance institutes.

ARTICLE 1382.

If a State insurance office has been created for a federal State, then it shall conduct the supervision of the insurance institutes which do not extend beyond its territory.

SECTION FIVE.—PAYMENT OF THE BENEFITS—RAISING OF THE FUNDS.

I. PAYMENT THROUGH THE POST OFFICE DEPARTMENT.

ARTICLE 1383.

PARAGRAPH 1. The institute shall make payments upon notification of the directorate through the Post Office Department and furthermore as a rule through that post office in whose district the payee resides. The payee shall be notified of the paying office by the directorate.

PAR. 2. If the payee removes his residence, he may make application to the directorate or to the post office of his old place of residence to have the payments changed to his new place of residence.

ARTICLE 1384.

Every person who is entitled to keep a public seal is authorized to give out and attest the requisite certificates in such payments.

ARTICLE 1385.

The highest postal authorities may collect from each insurance institute an advance sum. According to the choice of the insurance institute, it shall be transmitted either quarterly or monthly to the offices designated by the Post Office Department and may not be greater than that amount which the insurance institute will probably have to pay in the current fiscal year.

ARTICLE 1386.

The Imperial Insurance Office can specify in what manner payments are to be made to the payees who customarily reside in a foreign country.

II. RAISING OF THE FUNDS.

1. General provisions.

ARTICLE 1387.

PARAGRAPH 1. The Empire, the employers, and the insured persons shall provide the means for the insurance.

PAR. 2. The Empire shall pay subsidies for the pensions, widow's money, and orphan's settlements (art. 1285) actually paid in each year; the employers and the insured persons shall pay for each week of employment subject to insurance (contributory week) current contributions in equal parts (arts. 1432, 1439, 1458).

PAR. 3. The contributory week begins with Monday.

2. Size of the contributions.

ARTICLE 1388.

The weekly contributions shall be determined uniformly in advance by the Federal Council at the first for the period up to December 31, 1920, and then afterwards according to the result of the examination (art. 1391) for a further period of 10 years. Changes shall require the approval of the Reichstag.

ARTICLE 1389.

For the determination of the size of the contributions, the annual average contribution shall be computed for the total number of insured persons. It shall be computed in such a manner that the value of all future contributions together with the assets shall cover that amount which is required according to the actuarial computation with the interest and compound interest to defray all future expenditures of the insurance institutes.

ARTICLE 1390.

PARAGRAPH 1. The average contributions shall be graded according to the wage classes, otherwise, however, shall be fixed exactly the same in weekly partial amounts for the insured persons of the same wage class.

PAR. 2. The grades shall be arranged according to that burden which results from the assumption that each wage class has a corresponding insurance status in the total number of insured persons and has the same risk, and that for these groups, the pensions, widow's money, and orphan's settlements will occur in the expected amount in the wage classes.

ARTICLE 1391.

PARAGRAPH 1. The accounting bureau of the Imperial Insurance Office shall investigate in advance whether the contribution will be sufficient.

PAR. 2. Deficits or surpluses must be equalized through new contributions.

ARTICLE 1392.

Until further action the following shall be collected as weekly contributions:

	Pfennigs.	
In wage class I	16	[$0.038]
In wage class II	24	[.057]
In wage class III	32	[.076]
In wage class IV	40	[.095]
In wage class V	48	[.114]

3. Periods of military service and of sickness.

ARTICLE 1393.

PARAGRAPH 1. Without any requirement that the contributions shall be paid, the following shall be added as contributory weeks of Wage Class II in which the insured person—

1. Has been called into service in compliance with his military duty in times of peace, of mobilization, or of war;
2. Has voluntarily rendered military service in times of mobilization or of war;
3. Has been prevented from following his occupation because of an illness which rendered him incapable of work for the time being; the sickness must be certified.

PAR. 2. These weeks, however, shall only be included in the computation for those persons who were regularly employed in an occupation before that time and were not merely temporarily subject to the insurance.

ARTICLE 1394.

PARAGRAPH 1. The sickness shall not be included which the insured person has intentionally brought upon himself or has incurred by an action determined as a crime by the verdict of a criminal court or by culpable participation in brawls or disorderly conduct.

PAR. 2. If the sickness continues without interruption for more than one year, its further duration shall not be included.

PAR. 3. The period of convalescence shall be regarded the same as the sickness. The same shall apply for a period of eight weeks in case of inability to work caused by pregnancy or by regular childbirth without complications.

4. General cost—Special cost.

ARTICLE 1395.

The insurance institutes shall independently administer their income and other assets (general assets and special assets). They shall cover therefrom the general cost which all carriers of the invalidity and survivors insurance must jointly defray, and the special costs which fall upon the individual institutes.

ARTICLE 1396.

PARAGRAPH 1. The general cost consists of the following:

The basic amounts of the invalidity pensions and the subsidies for children's pensions (art. 1291);

The shares of the insurance institutes in the old-age pensions, widows' pensions and widowers' pensions, orphans' pensions, widows' money and orphans' settlements.

The increases of the pensions resulting from the weeks of military service and weeks of sickness;

The cost of rounding off the pensions upwards.

PAR. 2. All other obligations form, subject to the reservations of article 1478, a special cost of the insurance institute.

ARTICLE 1397.

For covering the general cost, each insurance institute shall, beginning with January 1, 1912, set aside in its accounts 50 per cent of the contributions as general assets. The institution shall credit the interest to the general assets as set aside in the books. The Federal Council shall specify the rate of interest on a uniform basis for the same periods of time as for contributions.

ARTICLE 1398.

PARAGRAPH 1. If the examination shows (art. 1391) that the general assets are not sufficient to cover the general cost, or are not necessary thereto, then the Federal Council shall specify for the coming period what shall be the share of the contributions which is to be set aside on the books for the balancing of the deficits or surpluses for the general assets.

PAR. 2. If the Federal Council increases this share, then the approval of the Reichstag is required.

ARTICLE 1399.

The existing assets of the insurance institute on hand at the time of the examination may be drawn on to cover the general cost only in so far as they have been set aside on the books for the general cost.

ARTICLE 1400.

PARAGRAPH 1. By joint agreement of the directorate and of the committee, the surplus of the special assets over the legal benefits may be applied for the economic welfare of the pensioners and the insured persons as well as for their relatives.

PAR. 2. The consent of the Federal Council is necessary in such cases. It may revoke the consent, if according to the advice of the accounting bureau, the special assets no longer show a sufficiently high surplus.

5. Reinsurance federations.

ARTICLE 1401.

Several insurance institutes may unite in order to carry either wholly or partly the burdens of the invalidity and survivors' insurance in common.

6. Liability for the obligations of the institute.

ARTICLE 1402.

In so far as the assets of the institute are not sufficient to cover its liabilities the union of communes for which the insurance institute has been created is liable to the creditors. If the union of communes is without assets or if the insurance institute has been created for a federal State or parts of it, then the latter shall be liable. If the institute includes several federal States or unions of communes, then these shall be liable according to the number of their population at the time of the last census.

7. Distribution and refunding of the insurance benefits—Transferring amounts to the Post Office Department.

ARTICLE 1403.

PARAGRAPH 1. The accounting bureau of the Imperial Insurance Office shall apportion pensions, widows' money, and orphans' settlements upon the Empire, upon the general assets, and upon the special assets.

PAR. 2. The increase rates of the invalidity pensions shall be at the cost of the institute to which contributions on this account have been paid. If the institute has determined benefits, parts of which are a cost on the special assets of other institutes, then the latter shall repay to it the amounts in the form of their capitalized value at the close of the fiscal year.

ARTICLE 1404.

The accounting bureau shall ascertain for each year and for each insurance institute the capitalized value of the pensions still current which it has certified for payment and the shares thereof which are a cost upon the Empire, upon the general assets and the special assets. The Federal Council shall regulate the computation of the capitalized value.

ARTICLE 1405.

Within eight weeks after the expiration of each fiscal year, the highest postal authorities shall communicate to the accounting bureau the amounts which have been paid in the past fiscal year upon authorization of the insurance institutes. According to the standard specified in article 1404, the pension advances shall be distributed upon the Empire, upon the general assets and upon the special assets. The accounting office shall further compute the share of the Empire, and of the general assets in connection with the widows' money and the orphans' settlements. The insurance institutes shall participate in the sum which is a charge on the general assets, each institute in proportion to the share of the total cost specified for its assets.

ARTICLE 1406.

PARAGRAPH 1. The accounting bureau shall notify the insurance institutes of the amounts which they have to repay from the share of their assets intended for the

general cost and from their special assets. In such case, the accounting bureau shall balance the payments from the post-office advances (art. 1385) with the actual payments and shall deduct the capitalized value which according to article 1403 the individual institutes must repay to each other.

PAR. 2. The figures used as a basis for making the computations shall be stated. An appeal to the Imperial Insurance Office is permissible against the apportionment of the account.

PAR. 3. The size of the amounts which are a cost to the Empire is to be reported to the imperial chancellor.

ARTICLE 1407.

The accounting bureau shall notify the highest postal authorities what amounts must be repaid by the Empire and by the individual insurance institutes.

ARTICLE 1408.

Within two weeks after the receipt of the notification, the insurance institute must pay the amount to the Post Office Department from the means on hand. If such are not on hand, then the union of communes or the federal States shall advance the same, in case of joint insurance institutes, in proportion to the number of inhabitants at the last census.

ARTICLE 1409.

The amount of the advances to the post office (art. 1385) shall be determined for each insurance institute after the receipt of the communication from the highest postal authority (art. 1405) by the accounting bureau for the current fiscal year, and the insurance institutes and the highest postal authorities shall be notified thereof. Up to that time, the partial amounts of the advances to the post office shall be paid further, for the time being, in the amount of the preceding year. They shall be balanced after determination of the new advance to the post office.

ARTICLE 1410.

If the claims of the Post Office Department are not promptly covered by the insurance institutes, then upon application of the Post Office Department the Imperial Insurance Office or the State insurance office (art. 1382) shall institute compulsory collection proceedings.

SECTION SIX.—PROCEDURE AS TO CONTRIBUTIONS.

I. STAMPS.

ARTICLE 1411.

PARAGRAPH 1. For the purpose of collecting the contributions, each incurance institute shall issue stamps containing the designation of the wage class and of the money value.

PAR. 2. The Imperial Insurance Office shall specify the distinguishing marks of the stamps as well as the periods of time for which they shall be issued.

PAR. 3. It may restrict the period of validity of the issued stamps. Within two years after the expiration of the period of validity, stamps which have become invalid may be exchanged at the sales offices.

ARTICLE 1412.

The stamps of each insurance institute shall be sold at the post offices of their district and at the special sales offices of the insurance institutes, at their face value.

II. RECEIPT CARDS.

ARTICLE 1413.

The contributions shall be paid by affixing the stamps on the receipt card of the insured person.

ARTICLE 1414.

The insured person shall have the receipt card made out for him and must produce it punctually for the affixing and cancellation of the stamps. The local police authorities may require him to do this under penalty of a fine up to 10 marks [$2.38]. If he has no receipt card or if he refuses to produce it, then the employer may procure the card and deduct the cost thereof at the next wage payment.

ARTICLE 1415.

The insured person may at his own cost at any time demand a new card in return for the old.

ARTICLE 1416.

PARAGRAPH 1. The receipt card shall contain the year and day of its issue and the contents of the provisions contained in articles 1424, 1425, and 1495. The Federal Council shall specify the other matters.

PAR. 2. The Federal Council may prescribe special cards for self-insurance and for its continuation (art. 1243), and may impose penalties for the unauthorized use of other cards.

ARTICLE 1417.

The cost of the cards shall be borne by the insurance institute of the district of issue if it is not procured for the account of the insured person (arts. 1414 and 1415).

ARTICLE 1418.

Each card shall contain space for at least 25 weekly stamps. The cards shall be numbered successively for each insured person. The first card shall have at its head the name of the insurance institute in whose district the insured person is employed at the time of its issue, and each following card the name of the preceding (the original institute). If the name of the institute on a card issued later differs from that on the first card, then the name on the first card shall prevail.

ARTICLE 1419.

PARAGRAPH 1. The highest administrative authorities shall specify, subject to the reservation of article 1456, the offices which shall make out the cards and exchange the same (office of issue).

PAR. 2. The imperial chancellor shall specify the office of issue in the German protectorates.

PAR. 3. The office of issue shall compute when a card is returned, according to the stamps affixed, the contributory weeks for the individual wage classes. At the same time there must be given the duration of the military service proved and of the sickness certified, which have occurred during the time of the validity of the card. The office of issue shall certify to the owner of the card the totals.

PAR. 4. The cost for the forms of the certificates concerning the computation shall be borne by the insurance institute of the district of issue.

PAR. 5. The imperial chancellor shall specify who shall bear the cost for the receipt cards and for the forms of the certificates in the German protectorates.

ARTICLE 1420.

The cards must within two years after their date of issue be handed in for exchange. If this is not done, then in case of controversy the insured person must prove that the claim has been kept alive.

ARTICLE 1421.

PARAGRAPH 1. Receipt cards which have been lost, made unserviceable, or destroyed shall be replaced by new cards.

PAR. 2. Contributions which can be proved to have been made shall be transferred in certified form; the insurance institute affected shall be heard in advance if the card which has become unserviceable is not produced, and in each case shall be notified later.

ARTICLE 1422.

The insured person may appeal to the local insurance office against the contents of the certification (art. 1419, par. 3) and against the transfer or the refusal thereof (art. 1421, par. 2). The insurance institutes may also protest against the transfer (art. 1421, par. 2). The local insurance office shall decide finally.

ARTICLE 1423.

PARAGRAPH 1. The cards which have been handed in shall be transmitted to the insurance institute of the district. After verifying and correcting the entries on the outer side the institute shall forward them to the original institute (art. 1418).

PAR. 2. The original institute may transfer the contents of all cards of the same insured persons to a collective card and preserve the latter instead of the single cards.

PAR. 3. The Federal Council shall specify the details herewith. It shall also specify when and in what respects receipt cards are to be destroyed.

ARTICLE 1424.

The cards may contain only the statements prescribed by law and may carry no special marks; above all the card may not contain anything in regard to the conduct or services of the holder. Cards which violate this provision must be retained by each authority receiving them and must be replaced by new cards. The contributions proved shall be transferred in certified form. The insurance institutes affected shall be notified hereof.

ARTICLE 1425.

PARAGRAPH 1. No one may retain a receipt card against the will of the owner. This shall not apply for the competent offices if they retain cards for the purpose of exchange, of correction, of computation, of transfer, of supervision of the contributions, or in a collection procedure.

PAR. 2. Whoever retains cards in violation of this provision is responsible to the owner for the damages arising therefrom. The local police authority shall collect the card and turn it over to the owner entitled thereto.

III. PAYMENT OF CONTRIBUTIONS THROUGH THE EMPLOYER—PROOF OF MILITARY SERVICE AND OF SICKNESS.

ARTICLE 1426.

PARAGRAPH 1. The employer who has employed the insured person through the contributory week shall pay the contribution for himself and for the insured person.

PAR. 2. If several employers employ the insured person during the week, then the first of them shall pay the whole amount. If neither he nor the insured person himself has paid the contribution (art. 1439), then the next employer must pay the contribution, but can demand reimbursement from the first employer. If the insured person is employed in occupations subject to insurance at the same time by several employers, then they shall all be liable as joint debtors.

ARTICLE 1427.

PARAGRAPH 1. If the actual time of work can not be determined, then the contribution is to be paid for the time which is approximately requisite for the work. In case of controversy, upon application of one party the local insurance office shall decide finally.

PAR. 2. The insurance institute may, with the approval of the Imperial Insurance Office or of the State insurance office (art. 1382), issue special regulations for the computation.

ARTICLE 1428.

PARAGRAPH 1. The employer shall pay the contributions at the time of the wage payment by affixing for the duration of the employment, stamps according to the wage class of the insured person on the receipt card. The cards shall be issued by the insurance institute of the place of employment.

PAR. 2. The employer must procure the cards at his own expense.

PAR. 3. If a payment of wages does not take place, the stamps are to be affixed at the latest when the employment ceases.

ARTICLE 1429.

In the case of insured persons who by contract are obliged to work for the employer for at least a quarter of a year, the employer may affix the stamps at another time, at the latest in the last week of each quarter. In every case the stamps are to be affixed at the end of the employment.

ARTICLE 1430.

The insurance institute may permit the employers to affix the stamps at another time.

ARTICLE 1431.

The stamps must be canceled. As the date of cancellation, the last day of that period shall be given to which the stamp applies. The Federal Council shall specify the details in this connection, and shall impose penalties for contraventions.

ARTICLE 1432.

PARAGRAPH 1. The persons subject to the insurance must at the time of payment of wages permit the deduction from their cash wages of one-half of the contributions, and whoever is insured at a higher amount than the wage class specified in the law, without having agreed with the employer as to the insurance in a higher wage class, must also permit the deduction of the excess amount. Only in this way may the employers reimburse themselves for the share of the contribution of the insured persons.

PAR. 2. The deductions are to be distributed evenly upon the wage periods.

ARTICLE 1433.

If deductions are not made at the time of a wage payment, then they may be made only at the time of the next payment, unless the employer through no fault of his own at a later time pays valid contributions (art. 1442).

ARTICLE 1434.

Payments on account shall not be considered as wage payments in the meaning of articles 1428, 1432, and 1433. In every case, however, the stamps are to be affixed in the last week of each quarter.

ARTICLE 1435.

PARAGRAPH 1. If they pay the contributions in stamps, the employers against whom an order of the local insurance office, according to article 398, has been issued may make wage deductions only for the period for which they have already paid arrears of contributions and can prove the same.

PAR. 2. Where a collection procedure is in existence, the order under article 398 shall also be applicable for the contributions of the invalidity and survivors' insurance. The insured persons must in such cases themselves pay their share of the contribution on the pay days.

ARTICLE 1436.

The Federal Council shall regulate the collection of the contributions for persons subject to insurance according to articles 1228 and 1229.

ARTICLE 1437.

The highest administrative authorities may specify how the share of the contribution of persons subject to insurance shall be deducted from their pay if the latter consists only of payments in kind or is to be paid by third persons.

ARTICLE 1438.

PARAGRAPH 1. Military service which has been rendered shall be proved by the military papers.

PAR. 2. Weeks of sickness shall be proved by certificates. After the expiration of the sick benefits or of the relief during the convalescence the directorate of the sick fund, of the substitute fund, of the mutual insurance association, or of the aid society created according to provisions of State law shall make out the certificate. Otherwise the directorate of the commune shall perform this act. The local insurance office may require the directorate of the fund or of the mutual insurance association to fulfill this obligation under penalty of fines up to 100 marks [$23.80].

PAR. 3. For persons employed in Imperial and State establishments the service authority in charge may make out the certificates. In such cases the sick fund is to be released by the local insurance office from the duty of filling out the certificates.

IV. PAYMENT OF THE CONTRIBUTIONS BY THE INSURED PERSONS.

ARTICLE 1439.

PARAGRAPH 1. The insured person himself may also pay the full contributions. The employer must reimburse him for one-half thereof, and this shall be one-half of the legal contribution, unless an agreement has been made as to insurance in a higher wage class.

PAR. 2. A claim shall exist only if the stamps have been canceled according to regulations. The claim must be raised not later than at the time of the second wage payment following, unless the insured person through no fault of his own has paid effective contributions at a later time.

ARTICLE 1440.

PARAGRAPH 1. Subject to the provisions of article 1371, persons voluntarily insured shall make use of the stamps of the insurance institute in whose district they are employed or in which they remain if unemployed. The choice of the wage class shall be made by themselves.

PAR. 2. They may continue the insurance while in a foreign country, and in such cases make use of the stamps of any insurance institute which they prefer.

PAR. 3. Stamps of an insurance institute may not be used for the extension of the insurance in a special institute (art. 1371).

ARTICLE 1441.

Whoever insures himself voluntarily during an employment for compensation but not paid in cash, or in case of a temporary employment (arts. 1227 and 1232), shall have a claim to the share of the contribution of the employer. The latter may decline to refund more than he is legally required (arts. 1245 to 1247).

V. CONTRIBUTIONS NOT VALID.

ARTICLE 1442.

PARAGRAPH 1. Compulsory contributions are not valid if they are paid after the expiration of two years, but in case the payment of contributions has not been made without the fault of the insured person, then after the expiration of four years after the date when they are due.

PAR. 2. A fault of the insured person shall not exist if the employer has retained the receipt card and has not exchanged it in compliance with the regulations at the proper time.

ARTICLE 1443.

Voluntary contributions and contributions in excess of the legal wage class may not be paid for a previous period for more than one year, nor may they be paid after the beginning of permanent or of temporary invalidity, or for the continuation of the invalidity.

ARTICLE 1444.

PARAGRAPH 1. If the contributions are later on paid within a suitable time, then they shall have the same status as the payment of contributions in the meaning of articles 1442 and 1443, in the following cases:

1. When a warning has been given to an employer by the competent office;
2. When the employer or the insured person has declared to such an office that he is ready to pay arrears.

PAR. 2. There shall not be included in the periods specified in articles 1442 and 1443 those periods of time in which a controversy regarding contributions (arts. 1459 to 1461), or a procedure relating to a claim, to an invalidity pension, old-age pension, widow's pension, or widower's pension, is in question.

PAR. 3. These facts (pars. 1 and 2) shall also interrupt the lapsing of arrears of contributions (art. 29).

ARTICLE 1445.

PARAGRAPH 1. If the stamps on a receipt card properly made out and handed in for exchange at the proper time have been employed according to regulations, then it shall be assumed that an insurance status existed during the contributory weeks covered thereby. This shall not apply if the stamps have been affixed later than one month after the date on which the contributions are due or for the calendar year have been affixed in a larger number than the year contains contributory weeks.

PAR. 2. The insured person may demand from the insurance institute the determination of the validity of the stamps which have been used. If the insurance institute acknowledges the insurance obligation or the right to insurance, then the claim for a pension may not be disallowed on the ground that the stamps have been used without right.

PAR. 3. After the expiration of 10 years after the computation of the receipt cards, the legal validity of the stamps certified in the computation may no longer be contested, unless the insured person or his representatives, or a person required to provide relief for him, has brought about the use of the stamps with a fraudulent intent.

VI. CONTRIBUTIONS PAID IN ERROR.

ARTICLE 1446.

PARAGRAPH 1. Contributions which have been paid under a mistaken assumption that an insurance obligation exists, and the return of which has not been demanded, shall be considered as paid for self-insurance or continuation of insurance if a right thereto existed at the time of payment.

PAR. 2. Within 10 years after their payment, the insured person may demand the return of the contributions, if a valid pension has not already been granted to him and if the use of the stamps has not been made with fraudulent intent.

PAR. 3. The employer may no longer demand the return of the contributions if the value of his share has been returned to him by the insured person or if two years have elapsed since the payment.

VII. COLLECTING THE CONTRIBUTIONS.

ARTICLE 1447.

PARAGRAPH 1. The highest administrative authority may, after a hearing of the insurance institute, order that the sick funds, miners' associations, or miners' funds, or other offices designated by it or local collecting offices of the insurance institute, shall collect the contributions of all or of separate groups of persons subject to the insurance for the account of the institute. The authority may in such cases regulate the duty of the insured person to report himself.

PAR. 2. With the approval of the highest administrative authority, the insurance institute may through its constitution itself order this procedure; in addition a commune or a union of communes, with the approval of the higher administrative authority, may after a hearing of the institute order this to be done through a local regulation.

ARTICLE 1448.

If local collecting offices are to be instituted, then the institute must create them at their own cost and in the places specified by the higher administrative authority.

ARTICLE 1449.

The insurance institute must grant a collection fee to the offices of collection; in case the parties affected can not agree, the fee shall be fixed by the highest administrative authority.

ARTICLE 1450.

With the approval of the sick fund the highest administrative authority can also permit the collection of the contributions for the sick fund by the local collecting offices. The fund shall assume a part of the cost. The details in this connection shall be specified by the highest administrative authority after a hearing of the insurance institutes and sick funds affected.

ARTICLE 1451.

The highest administrative authority shall regulate the powers of the insurance institute as against the offices of collection not created by itself.

ARTICLE 1452.

In case of voluntary insurance the collection of the contributions may not be prescribed.

ARTICLE 1453.

PARAGRAPH 1. The highest administrative authority may regulate the details as to the procedure in collecting, using, and accounting of the contributions.

PAR. 2. As a rule the contributions shall be collected at the same time with those of the sick funds on the date when they are due. In the case of insured persons from

whom the sick fund collects no contributions, the office of collection shall specify the date. Stamps shall be affixed on the receipt card for the contributions collected. Article 1414 is here correspondingly applicable.

ARTICLE 1454.

PARAGRAPH 1. Even in cases where the procedure of collection has been specified, the highest administrative authority or the directorate of the insurance office may permit individual employers themselves to pay the contributions by the use of stamps, according to articles 1426 to 1430. These authorizations are to be communicated to the office of collection.

PAR. 2. Authorities of the Empire, of the States, and of the communes may also exclude themselves from the collection procedure. This shall be communicated to the insurance institute and the office of collection.

ARTICLE 1455.

PARAGRAPH 1. The highest administrative authority may order the following:

1. That sick funds, miners' associations, miners' funds, or local collection offices of insurance institutes shall make out and exchange the receipt cards;
2. That temporary employees (art. 441) shall pay their half of the contribution directly, while the other half shall be paid by the union of communes or the commune, and that the employer shall repay the same; also the corresponding application of articles 453 and following may be ordered.

PAR. 2. For this purpose the insurance institute shall grant a special allowance to the offices designated, and the highest administrative authority shall fix the amount thereof.

ARTICLE 1456.

PARAGRAPH 1. The procedure of collection may be prescribed for the members of a sick fund by its constitution, for the members of the sick fund of an imperial or a State establishment by the competent service authorities, and the making out and exchange of receipt cards may be transferred to the fund.

PAR. 2. Article 1449 is here not applicable.

ARTICLE 1457.

PARAGRAPH 1. As long as a person is insured in the district of an office of collection, he may deposit his receipt card therein.

PAR. 2. The highest administrative authority, in agreement with the insurance institute, may require the deposit. The local insurance office may require the insured persons to follow this course under penalty of fine up to 10 marks [$2.38].

VIII. ROUNDING OFF THE AMOUNTS.

ARTICLE 1458.

If the reckoning between the employer and insured persons results in a fraction of a pfennig, then the share of the contribution of the employer shall be rounded off to the full pfennig upward and that of the insured person to the full pfennig downward.

IX. CONTROVERSIES AS TO CONTRIBUTIONS.

ARTICLE 1459.

PARAGRAPH 1. In controversies in regard to the payment of contributions, if such controversy is not first raised at the determination of a pension, the local insurance office shall decide, and upon appeal the superior insurance office shall decide finally. These authorities must follow the principles of the officially published decisions of the Imperial Insurance Office.

PAR. 2. If the matter relates to the interpretation of legal provisions of fundamental importance which have not yet been passed upon, then the superior insurance office shall transmit the matter, together with a statement of the reasons for its own views to the Imperial Insurance Office: *Provided*, That the appellant has applied therefor within the period of appeal. Other persons affected may also make this appeal within one week after they have been given an opportunity to express their opinions. In these cases the Imperial Insurance Office shall decide instead of the superior insurance office.

ARTICLE 1460.

If the controversy relates to the question as to which of several insurance institutes is to receive the contributions for specified persons, then upon application the Imperial Insurance Office or the State insurance office shall decide (art. 1382).

ARTICLE 1461.

All other controversies between employers and workmen in regard to computation and accounting, payment, and reimbursement of contributions (art. 1426, par. 2, arts. 1432 to 1435, 1437, 1439, and 1441) shall be decided finally by the local insurance office.

ARTICLE 1462.

PARAGRAPH 1. If the controversy has been finally decided, then the local insurance office shall take care that contributions not collected in sufficient amounts shall be covered through stamps at a later time. If too many stamps have been collected and the return of them can still be demanded (art. 1446), the local insurance office shall, upon application, secure their return from the insurance institute and repay them to the parties affected. The stamps shall be destroyed and the computation corrected.

PAR. 2. Stamps which are destroyed because they originated from an insurance institute which was not competent must be replaced by those of the competent institute. Their amount shall be demanded from the institute of issue and paid over to the parties affected.

ARTICLE 1463.

Instead of destroying the stamps, the local insurance office may call in the receipt card and have the valid contributions transferred to a newly made out card.

ARTICLE 1464.

If the obligation or the right of insurance is finally denied, then, upon their application, the parties affected shall have returned to them the contributions not yet lapsed. Article 1446 shall not be affected hereby.

X. SUPERVISION.

ARTICLE 1465.

The insurance institute shall supervise the punctual and complete payment of the contributions. The local insurance office may in this connection assist the insurance institute with its agreement and with an understanding as to the costs.

ARTICLE 1466.

PARAGRAPH 1. The employer must give to the local insurance office and to the directorate of the institute itself, as well as to the authorized agents of both, information in regard to the number of employees, their earnings, and duration of their employment. The employers must produce the books and lists from which these facts can be ascertained, during the time of operation and in their place of business. The insured persons also must give information in regard to the place and duration of their employment, as well as of their earnings.

PAR. 2. Both groups are obliged to hand over to the designated officials and agents, upon demand, their receipt cards and certificates (art. 1419, par. 3) for verification and correction, and a receipt must be given therefor.

PAR. 3. The local insurance office may compel the employers and the insured persons to comply with their duties (pars. 1 and 2), under fines up to 150 marks [$35.70]

ARTICLE 1467.

With the approval of the Imperial Insurance Office, or of the State insurance office (art. 1382), the insurance institute may issue supervisory regulations. These authorities may order the issuance of such regulations, and if such order is not complied with, issue the order themselves. The directorate of the institute may require employers and insured persons to comply punctually with such regulations, under fines up to 150 marks [$35.70].

ARTICLE 1468.

PARAGRAPH 1. If cash expenditures occur on account of the supervision, then they may be imposed upon the employer if he has caused them through neglect of duty. Upon appeal, the superior insurance office shall decide finally.

PAR. 2. Such costs shall be collected in the same manner as communal taxes.

ARTICLE 1469.

After agreement with the parties interested, or at the close of a procedure in settlement of a controversy, the receipt cards shall be corrected by the supervisory authorities, by the duly authorized agents, or by the offices of collection.

ARTICLE 1470.

With their consent and with an agreement as to the costs, the local insurance office may assist the insurance institutes in regard to the supervision of pensioners. The decision committee shall make the decision in this connection. If the committee declines, then, on appeal, the superior insurance office shall decide finally.

XI. SPECIAL PROVISIONS.

ARTICLE 1471.

The Federal Council may replace the provisions of this section in regard to the crews of foreign ships in inland waters by other provisions.

SECTION SEVEN.—VOLUNTARY ADDITIONAL INSURANCE.

ARTICLE 1472.

PARAGRAPH 1. Every person subject to the insurance and every person entitled to insurance may at any time and in any number affix supplementary stamps of any insurance institute on their receipt cards. They shall thereby obtain a claim for a supplementary pension in case of invalidity.

PAR. 2. The value of the supplementary stamp shall be 1 mark [23.8 cents].

PAR. 3. The claims procured on the basis of supplementary stamps may not lapse.

ARTICLE 1473.

PARAGRAPH 1. For every supplementary stamp which the insured person affixes he shall receive as an annual supplementary pension as many times 2 pfennigs [0.48 cents] as at the time of the beginning of the invalidity, years have expired since the use of the supplementary stamp.

PAR. 2. The years shall be counted from the calendar year in which the receipt card has been counted up to the year in which the invalidity began. The value of the supplementary stamps which are not included thereby shall be reimbursed to the insured person or to his survivors (art. 1302).

ARTICLE 1474.

PARAGRAPH 1. The supplementary pension shall be paid as long as the invalidity continues (art. 1255). The decision which withdraws the pension shall become effective at the expiration of the month following the communication thereof.

PAR. 2. Article 1254 shall also apply to supplementary pensions.

ARTICLE 1475.

The supplementary pension shall always be paid in full sums monthly in advance, each time rounded off upward in sums of 5 pfennigs [1.19 cents], and shall be paid either together with the invalidity pension or separately.

ARTICLE 1476.

PARAGRAPH 1. If the supplementary pension does not amount to more than 60 marks [$14.28] annually, then upon application a single lump sum payment equal to its capitalized value shall be paid.

PAR. 2. If the beneficiaries give up their residence in Germany, then they may be paid off with the capitalized value of the supplementary pension.

PAR. 3. The computation of the capitalized value shall be regulated by the Federal Council.

ARTICLE 1477.

Articles 1383 to 1386 shall be applicable as regards the payment of the supplementary pensions and of the single lump-sum settlements.

ARTICLE 1478.

PARAGRAPH 1. The receipts from the supplementary stamps shall be added to the general assets. The expenditures for supplementary pensions form a part of the general cost.

PAR. 2. The general assets shall bear the liability for the obligations arising out of supplementary insurance.

ARTICLE 1479.

In order to ascertain the obligations which arise out of the supplementary insurance, the insurance institute shall draw up special summaries from the incoming receipt cards, and these summaries shall show the number and the kind of supplementary stamps used and shall serve as the basis for the accounting bureau.

ARTICLE 1480.

Every 10 years (art. 1388) the accounting bureau of the Imperial Insurance Office shall ascertain how high the rate of the pension may be (art. 1473, par. 1). The Federal Council shall determine it accordingly for every 10 years.

ARTICLE 1481.

The benefits for a supplementary pension shall be distributed and paid in the same manner as other benefits (arts. 1403 to 1410).

ARTICLE 1482.

PARAGRAPH 1. Each insurance office shall issue supplementary stamps.

PAR. 2. The Imperial Insurance Office shall specify the distinguishing marks of the stamps. It may also restrict the duration of their validity. The Federal Council shall specify the details in regard to their cancellation.

ARTICLE 1483.

The regulations which apply for the determination of invalidity and survivors' pensions shall apply in a corresponding manner in the procedure for the determination of supplementary pensions.

SECTION EIGHT.—FINAL PROVISIONS AND PENAL PROVISIONS.

I. SICK FUNDS.

ARTICLE 1484.

The provisions of this book as regards sick funds (art. 225) shall also be applicable to miners' sick funds.

II. SPECIAL PROVISIONS FOR SEAMEN.

ARTICLE 1485.

Seamen (art. 1046, par. 1) are to be insured in that insurance institute in whose district is located the home port of the vessel.

ARTICLE 1486.

PARAGRAPH 1. The shipowners may pay the contributions for seamen according to the size of the crew of the single vessels as estimated for the accident insurance. The insurance institute shall specify the details in this connection.

PAR. 2. The Federal Council may order a different procedure for the payment of contributions than that provided in this book.

III. PENAL PROVISIONS.

ARTICLE 1487.

If employers make entries in the reports or statements which they have to make under the provisions of this law or the regulations of the insurance institute, whose incorrectness they knew or under the circumstances must have known, or if they fail to make either wholly or in part the prescribed entries, then the directorate of the institute may impose upon them fines up to 500 marks [$119].

ARTICLE 1488.

PARAGRAPH 1. If the employers neglect to use in due time the correct stamps for their employees subject to the insurance or to transmit the contributions, then the directorate of the institute may impose upon them fines up to 300 marks [$71.40]. Independently of the fine and the collection of the arrears, the directorate may require from persons so penalized the additional payment of 100 up to 200 per cent of these arrears. The amount shall be collected in the same manner as communal taxes.

PAR. 2. The same shall apply if employers who have in their service foreign-insured persons do not comply with their duties as specified in article 1233.

PAR. 3. If the employer contests his obligation to pay contributions, then it shall be decided according to article 1459.

ARTICLE 1489.

Whoever, contrary to his obligations, does not give notice of the employment of persons subject to the insurance (art. 1447), may be punished by the local insurance office with fines up to 300 marks [$71.40] in case the action has been intentional, and in case the action has been one of negligence with fines up to 100 marks [$23.80].

ARTICLE 1490.

The following persons shall be punished with fines up to 300 marks [$71.40], or with arrest, provided that under other legal provisions more severe penalties are not imposed:

1. Employers who purposely deduct from the wages of their employees higher contributions than this law permits;
2. Employers who purposely act contrary to the provisions of article 1435, paragraph 1;
3. Employers who make deductions from wages in the case mentioned in article 1435, paragraph 2, if the local insurance office has issued an order as described in article 398;
4. Employees who purposely deduct more than this law permits;
5. Persons who contrary to law withhold a receipt card from one entitled thereto.

ARTICLE 1491.

Insured persons shall be punished with fines up to 300 marks [$71.40], or with arrest, unless severer penalties are provided according to other legal provisions, if they intentionally demand from employers on account of self-paid contributions more than is permissible, or demand the full share of the contribution from several employers for the same week, or do not use the amount collected for the payment of the contributions, or collect shares of contributions, when they did not pay the full contributions.

ARTICLE 1492.

PARAGRAPH 1. Employers shall be punished with confinement in jail if they intentionally do not use for the insurance, shares of contributions which they have deducted from the wages of their employees or which they have received from the latter.

PAR. 2. In addition, penalties up to 3,000 marks [$714] and the loss of civic rights can also be imposed.

PAR. 3. If mitigating circumstances are present then the fine alone may be imposed.

ARTICLE 1493.

The same penal provisions are applicable in the following cases:

1. To the members of the directorate if the employer is a stock company, a mutual insurance association, a registered cooperative society, a guild, or other legal person.
2. To the business directors, if the employer is an association with limited liability.
3. If another type of business corporation is the employer, to all partners personally liable in so far as they are not excluded from the representation.

4. To the legal representatives of employers not legally competent to transact business or partially so, as well as to the liquidators of a business corporation, a mutual insurance association, a registered cooperative society, a guild, or any other legal person.

ARTICLE 1494.

PARAGRAPH 1. The employer may transfer the duties imposed upon him by this law or by the constitution to the directors of establishments, the supervisory personnel, or other employees of his establishment.

PAR. 2. If such representatives act contrary to those provisions which impose penalties upon the employer, the penalty shall be imposed upon them. In addition to them, the employer is liable to a penalty if—

1. The contravention has occurred with his knowledge.
2. He has not observed the care required customarily in the selection and supervision of his representatives. In this case no other penalty than the fine may be imposed upon the employer.

PAR. 3. The payment of the additional 100 to 200 per cent of the arrears of contributions (art. 1488) can also be imposed upon the representative. In addition to him, the employer shall be liable for this amount if he is punished under the provisions of paragraph 2 above.

ARTICLE 1495.

PARAGRAPH 1. Whoever places upon a receipt card either forbidden entries or special marks may be punished by the local insurance office with fines up to 20 marks [$4.76].

PAR. 2. The same penalty may be imposed upon the person who falsely fills out the blank spaces (*Vordruck*) on the receipt card or whoever fraudulently alters the words or figures entered in filling out the blank spaces or who knowingly uses such a card.

PAR. 3. Whoever makes entries, marks, or falsifications, with the intention of making known the holder to employers, shall be punished with fines up to 2,000 marks [$476], or with confinement in jail up to six months. In case of mitigating circumstances arrest may be imposed instead of confinement in jail.

PAR. 4. A prosecution for forgery of documents (arts. 267 and 268, of the Imperial Penal Code) shall only be inaugurated against persons who have made false entries with the purpose of providing for themselves or for others a pecuniary benefit, or with the purpose of causing damage to others.

ARTICLE 1496.

Penalties of imprisonment for not less than three months and in addition loss of civic rights shall be imposed upon the one who makes counterfeit stamps or alters stamps with the purpose of using them as genuine, or whoever with the same purpose provides himself with counterfeit stamps, or uses or offers for sale or brings them into use.

ARTICLE 1497.

The same penalty (art. 1496) shall be imposed upon whoever makes use of stamps which have already been used, or procures the same for use again, or offers them for sale, or brings them into use. In case of mitigating circumstances a fine up to 300 marks [$71.40] or arrest may be imposed.

ARTICLE 1498.

In the cases mentioned in articles 1496 and 1497 steps must be taken for the seizing of the stamps, even if they do not belong to the person condemned. The same must also occur if no specified person can be prosecuted or condemned.

ARTICLE 1499.

PARAGRAPH 1. Whoever manufactures without the written authority of an insurance institute or of another authority the stamp, seals, cuts, plates, or other forms which can be used in the manufacture of stamps, or impressions of such forms, or hands the same over to persons other than the insurance institute or the authorities, shall be punished with a fine up to 150 marks [$35.70] or with arrest.

PAR. 2. In addition to the fine or arrest, the seizing of the stamps, seals, cuts, plates, or other forms may be ordered, even if they do not belong to the person condemned.

ARTICLE 1500.

On appeal against the penalties imposed by the directorates of the institutes and the local insurance offices the superior insurance office (decision chamber) shall decide finally.

BOOK FIVE.—RELATIONS OF THE INSURANCE CARRIERS TO EACH OTHER AND TO OTHER BODIES.

SECTION ONE.—RELATIONS OF THE INSURANCE CARRIERS TO EACH OTHER.

I. SICKNESS INSURANCE AND ACCIDENT INSURANCE.

ARTICLE 1501.

PARAGRAPH 1. The obligation of the sick funds (art. 225) to benefits shall not be affected because a carrier of the imperial accident insurance is obligated to compensate damages.

PAR. 2. If according to its obligations under the law or constitution a sick fund grants benefits on account of an accident for a period during which the beneficiary because of the accident had also a claim for accident compensation or still has such claim, then the fund may claim the accident compensation as reimbursement, though for not more than the amount of this claim for compensation, and only within the limits specified in articles 1502 to 1507.

PAR. 3. The sick fund may claim reimbursement from the funeral benefit and accident pension only in so far as this is expressly authorized.

ARTICLE 1502.

Funeral benefits which the sick fund must pay to a beneficiary under article 203, are to be reimbursed from the funeral benefits which the carrier of the accident insurance has to pay such person.

ARTICLE 1503.

PARAGRAPH 1. For sick care three-eighths of that basic wage are to be reimbursed on which the pecuniary sick benefit of the beneficiary is based.

PAR. 2. In case of care in a hospital, the same rule shall be followed as for sick care. For maintenance in a hospital one-half of the basic wage shall be used; for this amount reimbursement may be claimed only from the accident pension.

ARTICLE 1504.

In the case of special apparatus, etc., which is to be granted in accordance with article 187, number 3, reimbursement is to be made up to the amount of the expenditure.

ARTICLE 1505.

For benefits other than funeral benefits, sick care, apparatus, etc. (arts. 1502 to 1504), reimbursement may be claimed only from the accident pension.

ARTICLE 1506.

PARAGRAPH 1. In so far as reimbursement for benefits of the sick funds may be claimed out of the accident pension, the claim shall be valid only up to one-half of the amount of the pension which is paid during the time for which the claims to sick benefits and pension coincide.

PAR. 2. If during this time complete maintenance in an institution has been granted to the sick person, and according to the provisions of this book reimbursement is to be made out of the accident pension, then for the duration of such maintenance a claim is valid up to the full amount of the pension. This shall be correspondingly applicable if the carrier of the accident insurance has granted complete maintenance in an institution to a sick person (art. 607).

PAR. 3. In order to determine the extent of the care in a medical institution which the carrier of the accident insurance has granted, on which a claim for reimbursement of the sick fund for its benefits is valid, maintenance in a medical institution shall be computed as equal in value to the full pension.

ARTICLE 1507.

For the satisfaction of claims for reimbursement by the sick fund, pension amounts in arrears and such amounts for the period of entire maintenance in an institution (art. 1506, par. 2, sentence 1), may be drawn on, up to their full amount, other pension amounts only up to one-half of their amount.

ARTICLE 1508.

PARAGRAPH 1. A claim for reimbursement (arts. 1501 to 1507) is excluded, if it has not been filed at the latest within three months after the end of the benefit payments with the carrier of the accident insurance.

PAR. 2. If, without any fault on its part, the sick fund has secured knowledge of the fact only after the expiration of this time, that the prerequisites for a claim for reimbursement are present, then it may still file the claim within one week after the day on which it secured this information.

ARTICLE 1509.

The sick fund may enforce the determination of the accident compensation and also make use of legal means. The expiration of time limits which has occurred without any fault on its part shall not act against it; this, however, shall not apply for procedure time limits in so far as the sick fund itself enforces the procedure.

ARTICLE 1510.

If a carrier of the accident insurance in accordance with its duty provides compensation for a period during which the beneficiary may also make claim for benefits from the sick fund either according to law or according to constitution, then the fund can deduct from its benefits for this time the accident compensation, in so far as the fund in the case mentioned in article 1501 has a claim for reimbursement on account of these benefits from the accident compensation.

ARTICLE 1511.

The constitution of the sick fund may provide that during a sickness which is the result of an accident entitled to compensation, for the time during which the accident pension or care in a medical institution is provided, a pecuniary sick benefit shall only be provided in so far as it exceeds the amount of the accident pension. In such case maintenance in a medical institution shall be computed as equal in value to the full pension.

ARTICLE 1512.

PARAGRAPH 1. The sick fund must report within three days to the carrier of the accident insurance every case of sickness which an accident entitled to compensation has brought about, as long as there is sufficient ground for the belief that the loss of earning power due to the accident will extend beyond the thirteenth week; if the patient after the expiration of three weeks after the accident has not yet recovered, then the report must be made not later than the end of the fourth week.

PAR. 2. The employee of the sick fund who conducts its business is required to make a report, if the directorate does not authorize another person to do so. The report to an accident association which is divided into sections, shall be made to the directorate of the section.

PAR. 3. The local insurance office can impose fines up to 20 marks [$4.76] on account of failure to make a report. On appeal the superior insurance office shall decide finally.

ARTICLE 1513.

PARAGRAPH 1. In case of sickness caused by an accident, the carrier of the accident insurance may take over the course of medical treatment. For the duration of the treatment or up to the end of the thirteenth week after the accident the insurance carrier must grant to the patient the same benefits which the sick fund would have to provide under the law or the constitution. In the place of sick care and pecuniary benefit, the accident insurance carrier may provide hospital care and house money, according to articles 184 to 186; with the approval of the patient it may also grant care as provided in article 185.

PAR. 2. The sick fund must reimburse the carrier of the accident insurance to the extent to which the patient could claim sick relief from it under the law or under the constitution and in so far as the carrier of the accident insurance was not itself required to make reimbursement. As compensation for the sick care, three-eighths of the basic wage shall be used, according to which the pecuniary sick benefit of the beneficiary was determined.

ARTICLE 1514.

PARAGRAPH 1. The carrier of the accident insurance may transfer to the last sick fund of the injured person the fulfillment of its duties to the injured person and his relatives even beyond the thirteenth week after the accident until the conclusion of the medical treatment to such an extent as it shall deem proper.

PAR. 2. The accident insurance carrier shall reimburse the costs arising therefrom. As reimbursement for medical treatment (art. 558, No. 1), and for care in a medical institution, the amounts specified in article 1503 shall be used unless a higher expenditure is proved. In the navigation accident insurance, article 1106, paragraph 2, shall be used for this reimbursement.

PAR. 3. Article 1510 shall be applicable as regards the benefits provided by the sick fund itself.

ARTICLE 1515.

PARAGRAPH 1. In controversies between a fund and the carrier of the accident insurance arising out of the transfer of its benefits (art. 1514), the local insurance office shall decide finally, if the matter does not concern a claim for reimbursement.

PAR. 2. Controversies regarding claims for reimbursement arising out of articles 1501, 1513, and 1514 shall be decided in judgment procedure.

ARTICLE 1516.

PARAGRAPH 1. Articles 1512 to 1515 shall also apply for miners' sick funds and substitute funds. For the substitute funds, the requirement to give notice shall be regulated in the constitution.

PAR. 2. For members of miners' sick funds, the basic wage specified according to article 180 shall be applicable, while for members of substitute funds the basic wage of their sick fund shall be used.

ARTICLE 1517.

The highest administrative authority may order that persons injured by accidents who are members of sick funds, miners' sick funds, or substitute funds, which are in a position to place the injured persons in institutes with adequate medical equipment, may be placed in another medical institution before the expiration of 13 weeks after the accident only if the directorates of the funds or of the federation of funds approve it.

II. SICKNESS INSURANCE AND INVALIDITY AND SURVIVORS' INSURANCE.

ARTICLE 1518.

PARAGRAPH 1. If an insurance institute inaugurates a course of treatment, then for the duration thereof it shall grant to the patient the same benefits that his sick fund (art. 225) would have to provide under the law or the constitution. If the insurance institute places the patient in a hospital or institution for convalescents, then it can either wholly or partly refuse to pay him the invalidity or widow's pension for the duration of such course of medical treatment.

PAR. 2. The sick fund must reimburse the insurance institute in so far as the patient could claim pecuniary sick benefits from the fund according to the law or the constitution.

ARTICLE 1519.

PARAGRAPH 1. The insurance institute which inaugurates a course of treatment may transfer the care of the patient to his last sick fund to such an extent as it deems proper.

PAR. 2. If thereby the fund has imposed upon it expenditures in excess of the extent of its legal or constitutional benefits, then the insurance institute must reimburse the costs in excess thereof.

PAR. 3. The institute must also reimburse the fund for its expenditures during the time for which the fund is no longer required to pay benefits. In such cases reimbursement for sick care and for hospital care shall be the amounts designated in article 1503 if higher expenditure is not proved.

ARTICLE 1520.

PARAGRAPH 1. In controversies between a fund and an insurance institute arising out of a transfer of the relief (art. 1519), the local insurance office shall decide finally, if the matter does not concern a claim for reimbursement.

PAR. 2. Controversies relating to claims for reimbursement arising out of articles 1518 and 1519 shall be decided in judgment procedure.

ARTICLE 1521.

Articles 1518 to 1520 shall also apply to miners' sick funds and substitute funds. The basic wage shall be specified according to article 1516, paragraph 2.

III. ACCIDENT INSURANCE AND INVALIDITY AND SURVIVORS' INSURANCE.

ARTICLE 1522.

PARAGRAPH 1. The application to determine a pension for invalidity or to survivors may not be refused for the reason that the invalidity or the death was the result of an accident requiring compensation. The pension is to be paid in full until the accident pension is granted. If the latter is granted, then there shall be paid only the amount in excess of the invalidity of survivors' pension.

PAR. 2. The same rule shall apply in the case of treatment in a medical institution which the carrier of the accident insurance grants. In such case maintenance in a medical institution shall be counted as equal to the full pension.

PAR. 3. If the pension is paid for the time for which the beneficiary has a claim to an accident pension, then the insurance institute may claim as reimbursement the accident pension in so far as the pension which it has granted is not higher. For the extent of the claim for reimbursement and for the extent to which the accident pension may be drawn upon, articles 1506 and 1507 shall be correspondingly applicable.

ARTICLE 1523.

The insurance institute may enforce the determination of the accident pension and do so even if, in case of the receipt of the accident pension, the invalidity, old age, or survivors' pension has either wholly or partly ceased. Article 1509 is correspondingly applicable.

ARTICLE 1524.

PARAGRAPH 1. If on account of a case of sickness which is the result of an accident entitled to compensation, the insurance institute provides a course of medical treatment which prevents the beginning of invalidity or removes the invalidity, then the carrier of the accident insurance is required to provide reimbursement to the insurance institute for the costs of the course of treatment even if the carrier is thereby released from a burden. Article 1503 shall be correspondingly applicable for the extent of the reimbursement. If no basic wage has been specified, then the actual expenditure is to be replaced. The insurance institute may not demand reimbursement for a course of treatment during the first 13 weeks after the accident.

PAR. 2. If the insurance institute has provided the course of treatment, then in connection with the compensation claim of the beneficiary this shall be regarded as equal to a corresponding course of treatment provided by the carrier of the accident insurance. The carrier of the accident insurance shall be exempted from its obligation of providing pensions to the relatives of the beneficiary in so far as the insurance institute has paid house money for these persons. If the insurance institute has paid an invalidity or survivors' pension for the period of the course of treatment, then article 1522 shall be in so far applicable.

ARTICLE 1525.

If, on account of a case of sickness which is the result of an accident entitled to compensation, the insurance institute has granted a course of treatment which, although it has not prevented the beginning of invalidity or removed the same, has nevertheless released the carrier of the accident insurance from a burden, then article 1524 shall be correspondingly applicable.

ARTICLE 1526.

Controversies in regard to claims for reimbursement (art. 1522, par. 3; art. 1524, par. 1; and art. 1525) shall be decided in judgment procedure.

SECTION TWO—RELATIONS OF THE INSURANCE CARRIERS TO OTHER BODIES.

ARTICLE 1527.

The legal obligations of communes and poor-law unions relating to the relief of needy persons and other obligations based on law, constitution, contract, or testamentary provision (*letztwilliger Verfügung*) relating to the relief of persons insured according to this law and their survivors shall not be affected by the present law.

ARTICLE 1528.

If a miners' association, a miners' fund, or a substitute fund, pays benefits as required because of an accident for a time during which the beneficiary had or still has a claim to the imperial accident compensation because of the accident, then the miners' association or the fund may make claim to the accident compensation as reimbursement under corresponding use of article 1501, paragraphs 2 and 3, and of articles 1502 to 1507, and 1516, paragraph 2.

ARTICLE 1529.

If the carrier of the accident insurance as required makes compensation for the time during which the beneficiary may also claim the benefits of a miners' association, a miners' fund, or a substitute fund, then these funds may deduct the accident compensation from their benefits in so far as they may claim reimbursement in the case of article 1528.

ARTICLE 1530.

Article 1511 shall be correspondingly applicable to miners' sick funds and substitute funds.

ARTICLE 1531.

If the commune or poor-law union, in accordance with its legal obligation, gives relief to a needy person for the time during which he had or still has a claim according to this law, then the commune or the poor-law union may claim reimbursement according to articles 1532 to 1537, but, however, up to only one-half of the amount of this claim.

ARTICLE 1532.

A commune or a poor-law union may claim reimbursement from the benefits of the sick fund (art. 225) only if it has granted relief on account of a sickness upon which the claim of the person relieved against the fund is based.

ARTICLE 1533.

The following shall be reimbursed:

1. Costs of burial which have been provided at the death of the insured person from the funeral benefit;
2. Relief in case of sickness of the insured person which corresponds to sick care and also in case of treatment in a hospital, according to article 1503, from the benefits corresponding thereto of the sick fund;
3. Other relief from the corresponding benefits of the sick fund. In this case one-half of the basic wage shall be used for the maintenance of the person supported in a hospital. Articles 1506 and 1507 shall be correspondingly applicable as regards the amount of the claim for reimbursement and the extent to which deductions may be made from the pecuniary sick benefit and similar benefits provided in current payments.

ARTICLE 1534.

The communes or the poor-law unions may only claim reimbursement from the benefits of the accident insurance if the relief has been granted because of the results of an accident.

ARTICLE 1535.

The following shall be reimbursed:

1. Burial costs which have been paid from the funeral benefit;
2. Relief which corresponds to the sick care which is a duty of the carrier of the accident insurance, and also treatment in a hospital, shall be reimbursed according to the actual expenditure from the corresponding benefits of the carrier;

3. Other relief shall be reimbursed from the accident pension. Articles 1506 and 1507 shall be applicable as regards the extent of the claim for reimbursement and the extent to which deductions may be made from the pension.

ARTICLE 1536.

For reimbursement from the benefits of the invalidity and survivors' insurance, claims may be made only against pensions. Articles 1506 and 1507 shall be correspondingly applicable as regards the extent of the claim for reimbursement and extent to which deductions may be made.

ARTICLE 1537.

A commune or poor-law union may also claim reimbursement if the needy person who had a claim to an invalidity pension or old-age pension or survivors' pension dies without having made application for the pension.

ARTICLE 1538.

PARAGRAPH 1. The funds or communes and poor-law unions (arts. 1528 and 1531) entitled to reimbursement may also enforce the determination of the benefits under the imperial insurance. Article 1509 is here correspondingly applicable.

PAR. 2. The same shall apply to miners' associations and funds which reduce their benefits under the provisions of articles 1321 to 1323.

ARTICLE 1539.

The claim to reimbursement (arts. 1528 and 1531 to 1537) is excluded if it is not made effective against the carrier of the imperial insurance within six months after the cessation of the relief.

ARTICLE 1540.

Controversies relating to claims for reimbursement arising out of articles 1528 and 1531 to 1537 shall be decided in judgment procedure.

ARTICLE 1541.

The provisions of this section as regards communes and poor-law unions shall also be applicable as regards undertakers of establishments and funds which instead of such bodies grant relief to needy persons according to legal obligation.

ARTICLE 1542.

PARAGRAPH 1. In so far as under this law insured persons or their survivors may claim reimbursement for damage under other legal provisions, and such damage has occurred to them on account of sickness, accident, invalidity, or through the death of the one providing support, then such claim shall be transferred to the carriers of the insurance in so far as the carriers have to grant benefits under this law to those entitled to compensation. This, however, shall apply to those insured against accident and their survivors only in so far as it does not relate to a claim against the undertaker or those of equal status as specified in article 899.

PAR. 2. Article 1503 shall be correspondingly applicable in regard to the reimbursement for sick care and hospital care as well as for medical treatment and care in a medical institution.

ARTICLE 1543.

PARAGRAPH 1. If a regular court has to pass on such claims (art. 1542), then it shall be required to follow the decision which has been issued in a procedure according to this law, as to whether and to what extent the insurance carrier is obligated.

PAR. 2. Article 901, paragraph 2, shall be correspondingly applicable as regards the suspension of the procedure before a regular court.

ARTICLE 1544.

Articles 1531 to 1533 and 1539 to 1542 shall also be applicable to miners' sick funds and substitute funds. Basic wages shall be specified according to article 1516, paragraph 2.

BOOK SIX.—PROCEDURE.

A. DETERMINATION OF BENEFITS.

SECTION ONE.—DETERMINATION BY THE INSURANCE CARRIER.

I. INAUGURATION OF THE PROCEDURE.

ARTICLE 1545.

PARAGRAPH 1. The benefits from the imperial insurance shall be determined as follows:

1. In the field of the accident insurance, on the initiative of the officials;
2. In other cases, on application.

PAR. 2. The determination shall be by expedited procedure.

ARTICLE 1546.

PARAGRAPH 1. If the accident compensation has not been determined on the initiative of the officials, the claim shall be filed with the insurance carrier at the latest within two years after the accident, otherwise the claim will not be considered.

PAR. 2. For the survivors of an insured person who has sailed on a ship which went down or is not accounted for, the time limit shall be reckoned from the date on which according to article 1099 the claim to a survivor's pension has come in existence.

ARTICLE 1547.

PARAGRAPH 1. After the expiration of the time limit the claim may still be made effective if—

1. A new result of the accident, which justifies a claim to compensation, has only later become perceptible, or if a result which occurred during the time limit has become perceptible to a considerably greater extent only after the expiration of the time limit, even though it is a gradual and regular development of the ailment;
2. If the beneficiary has been prevented from presenting the claim by circumstances beyond his control.

PAR. 2. In these cases the claim shall be presented within three months after the new result of the accident or the considerable change for the worse has become perceptible, or the hindrance to making the claim has been removed.

ARTICLE 1548.

PARAGRAPH 1. If the injured person dies as a result of the accident, the claim to compensation of the survivors, if it has not been determined on the initiative of the officials, shall be presented to the insurance carrier at the latest within two years after the death of the insured person, otherwise the claim will not be considered.

PAR. 2. After the expiration of the time limit the claim may still be brought forward if the prerequisites mentioned in article 1547, paragraph 1, No. 1, are present and the claim has been presented within three months after the removal of the hindrance.

ARTICLE 1549.

PARAGRAPH 1. The time limits (arts. 1546 to 1548) shall also be considered as observed if the claim has been presented in proper time to a carrier of the accident insurance which is not competent or to a local insurance office.

PAR. 2. The filing of the claim shall be reported to the competent authorities without delay; the party affected shall be notified thereof.

ARTICLE 1550.

If cases in which voluntary benefits of the insurance carrier would seem called for come to the notice of the local insurance office, the latter shall bring them to the knowledge of the insurance carrier.

II. SICKNESS INSURANCE.

ARTICLE 1551.

PARAGRAPH 1. Applications for benefits of the sickness insurance shall be submitted to the sick fund or to the party otherwise liable.

PAR. 2. As benefits of the sickness insurance are also considered—

The benefits of sick funds, miners' sick funds, and substitute funds, according to articles 573 and 1083;

The benefits of undertakers, employers, and carriers of the other relief according to articles 577, 1084, and 1085;

The benefits of the communes and of the sick funds, according to articles 942 to 944, article 1087, paragraph 2, article 1088, paragraph 2, and article 1089;

The benefits of the carriers of the accident insurance in case of medical treatment in the instances specified in articles 580, 946, and 1092;

The benefits paid by the sick funds, miners' sick funds, substitute funds, communes, and the undertaker to the carriers of the accident insurance, according to articles 583, 948, and 1094;

The benefits of the sick funds, miners' sick funds, and substitute funds, on the transfer of the relief by carriers of the invalidity and survivors' insurance, according to articles 1519 and 1521, in so far as it does not concern invalidity or survivors' pensions;

The benefits of the undertakers, of communes, and sick funds, if the navigation accident association has according to article 1106, or the branch institute has according to article 1091, transferred to them the relief for the first 13 weeks.

PAR. 3. Further are considered as benefits of the sickness insurance the benefits of the carriers of the accident insurance and of the carriers of the invalidity and survivors' insurance if they assume in the cases of articles 579, 600, 945, 1086, 1090, 1104, 1513, 1516, 1518, and 1521 the benefits from the parties liable specified in paragraph 2.

PAR. 4. This is applicable to the previously designated cases of articles 1083 to 1086, 1092, 1094, 1104, and 1106, only in so far as article 1770 does not provide otherwise for seamen.

III. ACCIDENT INSURANCE.

1. Reports of accidents.

ARTICLE 1552.

PARAGRAPH 1. The undertaker of an establishment shall report each accident in his establishment if a person employed in the establishment is killed as a result of the accident or is injured in such a manner that he dies or becomes wholly or partially disabled for more than three days.

PAR. 2. The accident shall be reported within three days after it has come to the notice of the undertaker of the establishment.

ARTICLE 1553.

PARAGRAPH 1. The report shall be made either in writing or orally both to the local police authority of the place of the accident and to the office of the insurance carrier specified in the constitution.

PAR. 2. If the accident occurs while on a journey, it may also be reported to the German local police authority in whose district the injured person first resides after the accident.

PAR. 3. If the accident occurs in a foreign country and there is no authority which is competent in Germany according to paragraph 2, it shall be reported to the local police authority of the seat of the establishment in Germany.

ARTICLE 1554.

The manager of the establishment or part of the establishment in which the accident occurred may make the reports in the place of the undertaker of the establishment. He is obliged to do so if the undertaker is absent or prevented from so doing.

ARTICLE 1555.

The Imperial Insurance Office shall specify the forms for accident reports.

ARTICLE 1556.

PARAGRAPH 1. If the accident has not been reported or was reported at too late a date, the directorate of the accident association may fine the person obliged to make the report not more than 300 marks [$71.40].

PAR. 2. The same also is applicable in the case of article 913, paragraph 1, and the corresponding provisions for agricultural accident insurance (art. 1045). Article 913, paragraphs 2 and 3, articles 1045 and 1223, are here correspondingly applicable.

PAR. 3. On appeal the superior insurance office (decision chamber) decides finally.

ARTICLE 1557.

The directorates of establishments administered by the Empire or a federal State shall make the report to their superior authority in the service according to the latter's detailed instructions.

ARTICLE 1558.

The provisions relating to the reporting of accidents are correspondingly applicable to accidents in the case of an insured activity which does not belong to an insured establishment.

2. Investigation of accidents.

ARTICLE 1559.

PARAGRAPH 1. If an insured person has been killed, or injured in such a manner that presumably he will have to be compensated according to this law, the local police authorities of the place of the accident shall as soon as possible investigate the accident.

PAR. 2. The local police authority shall also investigate the accident if a party liable to pay benefits according to this law makes application therefor.

PAR. 3. The beneficiary may make application to the local insurance office for an investigation of the accident. The latter may request the local police authority to comply with the request.

ARTICLE 1560.

PARAGRAPH 1. Accidents occurring on a journey or in a foreign country shall be investigated by the local police authority to which they have been reported.

PAR. 2. On application of a person affected the superior administrative authority may, according to article 1562, transfer the investigation to another local police authority.

ARTICLE 1561.

In the case of establishments administered by the Empire or a federal State, the superior service authority shall specify who shall investigate the accident.

ARTICLE 1562.

The following parties may take part in the investigation or be represented in it:

The injured person or his survivors;
The carrier of the accident and the sickness insurance;
The undertaker of the establishment;
The local insurance office;
The State industrial inspectors, in the case of accidents in establishments subject to industrial inspection (art. 139b of the Industrial Code).

ARTICLE 1563.

PARAGRAPH 1. These parties affected shall be notified in due time of the date of the investigation.

PAR. 2. If the accident association is divided into sections, or if it has appointed district agents (*Vertrauensmänner*), the directorate of the section or the district agent shall be notified.

PAR. 3. Other persons who may be affected shall be called in to the investigation.

PAR. 4. The injured person or his survivors may also call in to the proceedings as assistants, adult relatives or other suitable persons who do not appear before the authorities as a business.

ARTICLE 1564.

PARAGRAPH 1. The local police authority shall determine the state of affairs. They may make any kind of inquiry with the exception of examination under oath.

PAR. 2. On application of the insurance carrier or of the beneficiary, experts shall be called in; the costs shall be paid by the applicant.

PAR. 3. If the service rooms of an authority or a vessel of the imperial navy is to be inspected, permission must be requested of the competent service authorities or of the officer in command.

ARTICLE 1565.

The investigation shall especially ascertain—
The cause, time, place, circumstances, and nature of the accident;
The name of the person killed or injured, as well as the date and place of his birth;
The nature of the injury;
The whereabouts of the injured person;
The survivors of the person killed, and the relatives of the injured person, who could claim compensation according to this law;
The amount of the benefits and pensions which the injured person is receiving from the imperial insurance.

ARTICLE 1566.

The Imperial Insurance Office may decree particular provisions regarding the written record of the investigation proceedings.

ARTICLE 1567.

PARAGRAPH 1. As soon as the investigation is terminated the local police authority shall transmit a record of the proceedings to the insurance carrier.

PAR. 2. The parties affected may demand permission to inspect the record of the proceedings and a copy of it.

PAR. 3. Copying fees may be collected for the copy.

3. Decisions of insurance carriers.

A. GENERAL PROVISIONS.

ARTICLE 1568.

The benefits of the accident insurance shall be determined—
1. By the directorate of the section, if the accident association is divided into sections: *Provided*, That the matters to be settled deal with—
   a. the medical treatment (art. 558, par. 1), or house care (art. 599),
   b. the pension for the duration of a presumably temporary disability,
   c. the treatment in a medical institution,
   d. the pension for relatives,
   e. the funeral benefit;
2. In all other cases by the directorate of the association.

ARTICLE 1569.

The constitution of the accident association may transfer the determination—
1. In the cases of article 1568, No. 1—
   To the directorate of the association,
   To a committee of the directorate of the association or section,
   To special commissions,
   To local representatives (district agents);
2. In the cases of article 1568, No. 2—
   To the directorate of the section,
   To a committee of the directorate of the association or section,
   To special commissions.

ARTICLE 1570.

The administrative provisions shall designate the authorities which determine the benefits, if another carrier of the accident insurance takes the place of the accident association.

ARTICLE 1571.

PARAGRAPH 1. If the insurance carrier deems the matter not sufficiently clear, it shall, with reservation of article 1572, make further investigations.

PAR. 2. Where witnesses or experts in the course of legal aid are to be examined under oath the local insurance office shall be requested to do so. If the production of evidence before the local insurance office encounters considerable difficulties, especially on account of the great distance of the residence of witnesses from the seat of the local insurance office, or if there is risk in delay, the lowest court (*Amtsgericht*) may also be requested to act.

PAR. 3. The insurance carrier may apply for the sworn examination of a witness or expert, only if it deems it necessary to have them sworn in so as to obtain a true deposition.

PAR. 4. If the application for a production of evidence has been refused by the lowest court (*Amtsgericht*) the superior State court (*Oberlandesgericht*) decides finally.

ARTICLE 1572.

PARAGRAPH 1. On application of the insurance carrier the president of the local insurance office must examine the whole matter and express an opinion thereon. He shall decide at his own discretion what investigations are necessary.

PAR. 2. Articles 1637 to 1639 are correspondingly applicable to the competence of the local insurance office.

ARTICLE 1573.

The parties affected shall be given an opportunity to participate in the examination of witnesses or experts.

ARTICLE 1574.

PARAGRAPH 1. The provisions of the Code of Civil Procedure (*Zivilprozessordnung*) relating to the obligation to appear as witness or expert, to submit to examination, and the taking of an oath, are correspondingly applicable to the procedure before the judge applied to. The deposition shall not be refused because this law establishes the obligation of secrecy.

PAR. 2. The judge applied to decides if the deposition or the taking of the oath may be refused. An appeal against this decision to the next higher court is permissible within one week according to the provisions of the Code of Civil Procedure.

ARTICLE 1575.

The provisions of article 1574 are also applicable to the procedure before the local insurance office in so far as articles 1576 to 1579 do not prescribe otherwise.

ARTICLE 1576.

If application has been made to the local insurance office for the examination of witnesses or experts, the same decides whether the deposition or the taking of the oath may be refused. Against its decision an appeal is permissible within one week to the superior insurance office. The superior insurance office (decision chamber) decides finally.

ARTICLE 1577.

PARAGRAPH 1. Witnesses or experts may be fined not to exceed 300 marks [$71.40], only if—

They do not put in an appearance;

They refuse their deposition or the taking of the oath without giving a reason, or after the reason given has been declared legally irrelevant.

PAR. 2. The local insurance office imposes the fine. Article 1576, sentences 2 and 3, is applicable to the appeal.

ARTICLE 1578.

PARAGRAPH 1. Military persons belonging to the active service in the army or navy or to one of the colonial forces, shall on application be summoned as witnesses or experts by the military authority.

PAR. 2. If they refuse to give testimony or to take the oath, the military court shall impose the fine on application.

ARTICLE 1579.

PARAGRAPH 1. The witnesses and experts shall receive fees as in examinations before the ordinary court in civil legal disputes.

PAR. 2. On appeal against the determination of the fees, the superior insurance office decides finally.

ARTICLE 1580.

PARAGRAPH 1. If the undertaker refuses to permit the insurance carrier to make an inspection, the local insurance office decides whether and in what manner the inspection shall take place.

PAR. 2. The local insurance office may itself make the inspection and use thereby the assistance of the local police authority, or apply for it to the local police authority.

PAR. 3. The appeal effects a stay.

PAR. 4. Article 1564, paragraph 3, is applicable to the inspection in the service rooms of an authority or in a vessel of the imperial navy.

PAR. 5. The highest administrative authority shall specify how far paragraphs 1 to 3 are applicable to establishments subject to mine inspection.

ARTICLE 1581.

PARAGRAPH 1. The undertaker shall on demand report within one week to the association the earnings which serve as basis in the computation of the compensation. He shall for this purpose make current entries in regard to the earnings paid to the individual insured persons. The constitution determines particulars hereto.

PAR. 2. If the undertaker does not report the earnings, he may be fined not to exceed 300 marks [$71.40]. If the report contains statements the incorrectness of which the undertaker has known, or must have known under the circumstances, he may be fined not to exceed 500 marks [$119].

PAR. 3. The directorate of the association imposes the fine. On appeal the superior insurance office decides finally.

PAR. 4. These provisions are also applicable to persons designated in articles 912, 913, paragraph 1, and article 1220, and in the corresponding provisions for the agricultural and navigation accident insurance (arts. 1045 and 1222). Article 913, paragraphs 2 and 3, 1045, and 1223, are correspondingly applicable.

ARTICLE 1582.

PARAGRAPH 1. If on the basis of a medical opinion, the compensation is refused or only a partial pension is granted, the attending physician shall first be heard, unless he has already submitted an adequate opinion.

PAR. 2. If the attending physician has a contract relation to the insurance carrier, which is not merely a temporary relation, another physician shall, on application, be called in.

B. DECISION.

ARTICLE 1583.

PARAGRAPH 1. The office competent for the determination (arts. 1568 to 1570) shall communicate a written decision if—

1. A compensation is to be granted or refused;
2. A pension on account of change of conditions (arts. 608, 955, and 1115) is to be determined anew;
3. The matters to be settled deal with—
   medical treatment (art. 558, number 1), or house care (art. 599),
   treatment in a medical institution or pension for relatives,
   determination of the benefits after the termination of hospital treatment,
   funeral benefit,
   discontinuance of an accident pension on account of suspension of the pension,
   settlement with a beneficiary in the form of a capital sum.

PAR. 2. In the decision which fixes a settlement in the form of a capital sum, the attention of the beneficiary must be called to the fact that after the settlement he has no longer any claim to a pension, even if the consequences of the accident should become aggravated.

ARTICLE 1584.

If the injured person on account of a change of conditions claims an increase in a pension or the regranting of a pension, he must submit his claim to the insurance car-

rier or to the local insurance office. The local insurance office shall without delay transmit it to the insurance carrier, and notify the latter of the date of the receipt of the claim.

ARTICLE 1585.

PARAGRAPH 1. If the pension of an injured person can not yet be fixed as a permanent pension, as regards its amount, the insurance carrier is authorized, during the first two years after the accident, to determine provisionally a compensation and to change the same in accordance with a change of conditions. In the decision it shall be stated that the matter concerns only a provisional pension. The superior insurance office and the Imperial Insurance Office (or the State insurance office) have within the same time limit the right to determine a provisional compensation, in so far as they award a compensation after the insurance carrier has refused the compensation. If the injured person on account of a change in condition claims an increase in a provisional pension, article 1584 shall be applicable.

PAR. 2. The permanent pension shall be determined at the latest on the expiration of two years after the accident. This determination does not assume a change of conditions; likewise the previous determination of the fundamental facts for the computation of the pension is not binding for it.

ARTICLE 1586.

If, after the expiration of three months, the insurance carrier can not yet communicate a decision, it shall by an ordinary letter inform the beneficiary of the reasons. The time limit shall begin with the date on which the insurance carrier has officially learned of the accident, or in the case the death occurs later, of the death. In the case of the survivors of an insured person who has sailed on a vessel which went down or is not accounted for, the time limit shall be reckoned from the date on which according to article 1099 the claim to a pension has arisen.

ARTICLE 1587.

PARAGRAPH 1. If, at the beginning of the liability to compensation, the amount of the compensation can not yet be decided on, the insurance carrier shall grant an advance on the compensation and notify the beneficiary by an ordinary letter of this fact.

PAR. 2. In the case of injured persons who, after the expiration of the 13 weeks after the accident, must continue to receive medical treatment, to heal the injuries, at least that compensation shall be determined, which is to be granted until the termination of the medical treatment.

ARTICLE 1588.

If compensation has been granted, the communication of the decision shall show its amount and the method of computation. In the case of compensation to injured persons, what degree of disability has been assumed shall be specifically stated.

ARTICLE 1589.

The grounds for the decision shall be stated and it shall be signed. The signature of the president is sufficient.

ARTICLE 1590.

The decision must contain the statement that it shall come into force unless the beneficiary appeals in due time; the decision shall state the time limit for the appeal and refer to the rights mentioned in articles 1592, 1595, and 1596.

C. PROTEST.

ARTICLE 1591.

PARAGRAPH 1. A protest may be made against the decision. The protest shall be submitted in writing to the insurance carrier within one month after the receipt of the decision. Article 129, paragraphs 2 and 3, is here correspondingly applicable.

PAR. 2. Article 128, paragraph 2, is correspondingly applicable in the case of seamen sojourning outside of Europe.

PAR. 3. Minors who have completed their sixteenth year of age may make a protest on their own accord.

ARTICLE 1592.

PARAGRAPH 1. The submission in due time of the protest establishes the right of the beneficiary to a personal hearing. The office which is competent for the issuing of the decision determines whether the beneficiary shall be examined before it or before the local insurance office. Articles 1637 to 1639 are correspondingly applicable to the competence of the local insurance office. As long as the beneficiary has not been examined before the competent office, he may demand that he shall be examined before the local insurance office, in the district of which he is living or employed at the time of the examination. If the beneficiary is examined before the administrative body of the association, he shall be recompensed for his cash expenditures and his loss of time. On appeal against the determination of the costs the superior insurance office decides finally.

PAR. 2. The preliminary proceedings shall be submitted to the office which must examine the beneficiary.

ARTICLE 1593.

PARAGRAPH 1. The beneficiary who has submitted the protest shall be summoned.

PAR. 2. If he does not put in an appearance at the time fixed without giving adequate reasons for his absence, the records of the proceedings shall be returned immediately to the office competent for the decision, together with a statement concerning the same.

ARTICLE 1594.

If the person summoned puts in an appearance, his depositions shall be recorded in writing. In such case the office which is competent for the examination must secure statements of the facts necessary for the determination and of the evidence which are as accurate and as complete as the circumstances permit.

ARTICLE 1595.

PARAGRAPH 1. If a physician, whom the insured person of his own choice has selected for his treatment, has not already been heard by the insurance carrier, the local insurance office shall, on application of the insured person to be made at the time of his examination, consult the opinion of a physician who has not been heard until then, if according to the judgment of the local insurance office his opinion may be of importance for the decision.

PAR. 2. If the physician requested by the local insurance office to give his opinion declines to do so, the local insurance office decides whether and from which other physician such an opinion shall be secured.

ARTICLE 1596.

PARAGRAPH 1. In any case on demand of the insured person, if he pays the costs in advance, a physician designated by him must be heard as expert. If these costs can not be determined in advance, the local insurance office may request a lump sum as security for them.

PAR. 2. If, on a final determination made on the basis of the new opinion, a pension has been granted which was refused in the decision, or the partial pension determined in the decision has been increased, the costs shall be refunded to the beneficiary as far as is appropriate. In case of dispute regarding the refund the superior insurance office on appeal decides finally.

ARTICLE 1597.

The local insurance office decides how far the existing medical opinions shall be communicated to the new expert (arts. 1595 and 1596); on demand he shall be allowed to inspect the other preliminary proceedings.

ARTICLE 1598.

If the examination takes place before the local insurance office, it may also express its opinion regarding the matter. It may, for this purpose, make investigations as far as the evidence is at hand or easily acquired and no considerable expenses are caused.

ARTICLE 1599.

The proceedings relating to the protest, together with the preliminary proceedings, shall be transmitted to the officials competent for the determination without delay.

D. SPECIAL PROVISIONS FOR THE PROTEST AGAINST CHANGES IN PERMANENT PENSIONS.

ARTICLE 1600.

If a permanent pension must be determined anew (arts. 608, 955, and 1115), on account of a change of conditions, then articles 1591 to 1599 are applicable, in so far as articles 1601 to 1605 do not provide otherwise.

ARTICLE 1601.

The examination of the beneficiary takes place before the local insurance office. The preliminary proceedings shall be submitted to the local insurance office.

ARTICLE 1602.

After the termination of the investigation, the matter shall be discussed in oral proceedings before the local insurance office with the participation of a representative of the employers and of a representative of the insured persons. The proceedings are not public.

ARTICLE 1603.

The president of the local insurance office determines the order in which the representatives shall be called into the proceedings. The superior insurance office may decree general provisions in this connection.

ARTICLE 1604.

PARAGRAPH 1. The examination of the beneficiary (art. 1594) and the investigations (art. 1598, sentence 2) may be combined with the oral proceedings if such action seems advisable.

PAR. 2. The association may have a district agent (arts. 678, No. 3, arts. 973 and 1144) or a member of another administrative body act as its representative; the beneficiary may also call into the proceedings as assistants either adult relatives or other proper persons. The representatives of the association and the assistants of the beneficiary must not consist of persons who appear before the authorities as a business.

ARTICLE 1605.

PARAGRAPH 1. The local insurance office shall submit an opinion regarding the matter. The opinion shall discuss everything which according to the judgment of the local insurance office is of importance for the decision of the insurance carrier.

PAR. 2. If the opinion is not based on the concurrence of the president of the local insurance office and the insurance representatives, the dissenting opinions shall be recorded.

E. FINAL DECISION.

ARTICLE 1606.

PARAGRAPH 1. After the receipt of the proceedings on the protest, or after being informed of the nonappearance of the beneficiary at the time set for the proceedings, the office competent for the determination according to articles 1568 to 1570 shall collect the proof which may still be necessary and then issue its final decision.

PAR. 2. If the protest has been submitted too late, it shall be refused as inadmissible by the office designated in paragraph 1 by a final decision.

ARTICLE 1607.

PARAGRAPH 1. Articles 1588 and 1589 are applicable to the final decision.

PAR. 2. The beneficiary shall on application be given a copy of the opinion of the local insurance office free of charge. On application he shall also be given copies of the records of the examination of witnesses and experts and also of the medical opinions; the costs shall be paid by the applicant in advance. All copies shall be furnished only in so far as this seems permissible with proper consideration of the beneficiaries. On appeal the superior insurance office decides finally.

PAR. 3. The final decision must contain the statement that it becomes valid unless the beneficiary submits the appeal to the superior insurance office within one month after the receipt of the decision.

PAR. 4. Article 128, paragraph 2, is correspondingly applicable to seamen sojourning outside of Europe.

F. OTHER PROVISIONS.

ARTICLE 1608.

PARAGRAPH 1. If an insurance carrier, before the former decision relating to the amount of the compensation has become valid, makes a new decision, by which the pension on account of a change of condition has been determined anew, the protest and the legal steps against the former decision are also considered as a protest and as legal steps against the new decision.

PAR. 2. A copy of the new decision shall be transmitted to the office with which the older dispute is pending. This office can take up the procedure on the new decision, and on the decision of the older matter decide what compensation is to be granted for the period after the issuing of the new decision.

ARTICLE 1609.

In so far as the highest administrative authority has made use of the powers mentioned in article 112, the administrative bodies there specified shall take the place of the local insurance office as regards the latter's duties in the procedure of protest.

ARTICLE 1610.

If an accident compensation for such injured persons or their survivors who reside in a foreign country is to be granted, refused, or on account of change of conditions determined anew, a final decision can be given at once without any previous decision or protest.

ARTICLE 1611.

The Imperial Insurance Office may specify the particulars in regard to the certification of decisions relating to the fixing of compensation as well as in regard to the signing and making out of decisions and final decisions.

ARTICLE 1612.

The local insurance office notifies the insurance carrier if it learns that—

An assumption of the medical treatment by the insurance carrier before the expiration of the waiting term, or a transfer of the medical treatment by the insurance carrier to the sick fund after the expiration of the waiting term is called for;

An accident pension shall be determined anew or withdrawn on account of a change in condition;

A pension shall be suspended.

IV. INVALIDITY AND SURVIVORS' INSURANCE.

1. Submission of claims.

ARTICLE 1613.

Applications for benefits of the invalidity and survivors' insurance shall be directed to the local insurance office; documents used as evidence shall be inclosed.

ARTICLE 1614.

Articles 1637 to 1640 are applicable to the competency of the local insurance office.

ARTICLE 1615.

PARAGRAPH 1. If payment of a widow's pension is claimed, the amount of which has been determined, then the local insurance office of the place in which the widow at the time of the application for payment resides or is employed is the competent office; articles 1639 and 1640 are here correspondingly applicable.

PAR. 2. If the prerequisite for the receipt of an orphan's settlement is only complied with after the death of the insured person, the competence is regulated by the place of residence of the orphans.

ARTICLE 1616.

The highest administrative authority may decree that the claims may also be submitted to other authorities with the effect of articles 1256 and 1263. These authorities shall transmit the claims to the competent local insurance office without delay.

2. Preparation of the case by the local insurance office.

ARTICLE 1617.

PARAGRAPH 1. The president of the local insurance office ascertains according to his own judgment what is necessary for the elucidation of the facts; article 1652 is here correspondingly applicable.

PAR. 2. The inquiries shall cover all questions which are of importance for the decision of the insurance carrier, especially the following:

The insurance obligation or to the right to insure voluntarily;

The invalidity and the date of its beginning;

The age of the orphans;

The indigence, where a widow's pension or, in the cases of articles 1260 to 1262, an orphan's pension is concerned.

PAR. 3. On application of the beneficiary the opinion of a physician named by him shall be asked if the opinion, in the judgment of the local insurance office, may be of importance for the decision; the beneficiary shall pay the costs in advance. Otherwise articles 1595, paragraph 2, 1596, and 1597 are correspondingly applicable.

ARTICLE 1618.

After the termination of the inquiries by the president the matter shall, in so far as article 1624 does not provide otherwise, be discussed before the local insurance office in oral proceedings, with the attendance of a representative of the employers and a representative of the insured persons.

ARTICLE 1619.

The provisions of articles 1652 and 1655 are correspondingly applicable to the preparation of the oral proceedings. In particular, the president can order before the oral proceedings, the examination of the applicant and the expression of an opinion as to his health by a physician, and also require the personal appearance of the applicant at the oral proceedings.

ARTICLE 1620.

Article 1603 is correspondingly applicable to the order in which the insurance representatives shall be called into the proceedings.

ARTICLE 1621.

Articles 1641 to 1649 are correspondingly applicable in regard to the disqualification and the refusal to serve both of the president of the local insurance office and of the insurance representatives.

ARTICLE 1622.

PARAGRAPH 1. The oral proceedings are not public.

PAR. 2. Otherwise articles 1662 to 1665, 1667, 1669, and 1672 are correspondingly applicable to the oral proceedings, but article 1654 shall not be applicable.

ARTICLE 1623.

PARAGRAPH 1. The local insurance office shall submit an expression of opinion in the matter; the expression of opinion shall include everything which, according to the judgment of the local insurance office, is of importance for the decision of the insurance carrier.

PAR. 2. If on account of a crime or intentional misdemeanor (art. 1254) or other violation (arts. 1272 and 1306) the claim may be wholly or partially disallowed or withdrawn, then an opinion shall also be expressed as to the point regarding the extent to which use shall be made of this right.

PAR. 3. Where the opinion is not based on the concurrence of the president of the local insurance office and the insurance representatives the dissenting opinions, together with a statement of the reasons, shall be recorded.

ARTICLE 1624.

PARAGRAPH 1. An oral proceeding does not take place if the matters to be settled deal with—

Old age pensions;
Orphans' pensions;
Widows' money (*Witwengeld*) and orphans' settlement (*Waisenaussteuer*);
Settlement in the form of a capital sum (arts. 1316, 1317, and 1476);
Cases in which the insurance carrier and the beneficiary are in accord.

PAR. 2. The imperial decree (art. 35, par. 2) may specify other cases in which no oral proceedings take place.

PAR. 3. If an oral proceeding does not take place, then the president of the local insurance office shall submit the expression of opinion.

ARTICLE 1625.

The president of the local insurance office transmits the proceedings and the opinion to the insurance carrier (art. 1630).

ARTICLE 1626.

PARAGRAPH 1. Articles 1617 to 1625 are correspondingly applicable if an invalidity, survivors', or supplementary pension is to be withdrawn or if a pension is to be discontinued.

PAR. 2. Articles 1637 to 1640 are correspondingly applicable to the competence of the local insurance office.

PAR. 3. An oral proceeding does not take place if the matter to be dealt with concerns the suspension of a pension (arts. 1311 to 1315, and 1318).

ARTICLE 1627.

The highest administrative authority can specify the procedure for the preparation of the matter and the expression of an opinion by the local insurance office, in so far as it is not regulated by imperial decree (art. 35, par. 2).

ARTICLE 1628.

PARAGRAPH 1. Articles 1617 to 1627 are correspondingly applicable if the preparation and expression of an opinion on the matter is transferred to administrative bodies of miners' associations, miners' funds, or special institutes for establishments of the Empire or of the federal States.

PAR. 2. Article 1571, paragraphs 2 to 4, and articles 1573 to 1579 are correspondingly applicable if witnesses or experts are to be examined under oath.

ARTICLE 1629.

The local insurance office shall notify the insurance carrier if it learns that—

An insured person or a widow can be protected from invalidity by a course of treatment;
The beneficiary of an invalidity, widows', widowers', or supplementary pension can have his earning power restored by a course of treatment;
The invalidity, widows', widowers', or supplementary pension should be withdrawn;
A pension should be suspended.

3. Decision of the insurance carriers.

ARTICLE 1630.

PARAGRAPH 1. The benefits of the invalidity and survivors' insurance shall be determined by the directorate of the insurance institute.

PAR. 2. The insurance institute for the district of the local insurance office through which the claim is to be filed is the competent one.

ARTICLE 1631.

PARAGRAPH 1. A written decision shall be communicated if the claim filed has been recognized or disallowed. It shall contain the reasons therefor and be signed. The signature of the president is sufficient. Article 1611 is applicable to the certification of decisions relating to the determination of benefits and the making out of the decisions.

PAR. 2. If the claim is disallowed the beneficiary shall, on application, receive a copy of the opinion of the local insurance office free of charge. He shall, on application, also receive copies of the records of the examination of witnesses and experts and also of the medical opinions; the costs shall be paid by the applicant in advance. All copies shall be furnished only in so far as this is permissible with due consideration of the beneficiary. On appeal the superior insurance office decides finally.

PAR. 3. If a pension is granted, the decision shall state its amount, the time of its beginning, and the method of its computation.

PAR. 4. The decision must contain the statement that it becomes valid unless the beneficiary, within one month after the receipt of the decision, files an appeal with the superior insurance office. Article 128, paragraph 2, is applicable to seamen sojourning outside of Europe.

ARTICLE 1632.

If the insurance carrier is not willing to comply with the opinion expressed by the president of the local insurance office regarding the granting of a pension, then the matter shall be returned to the local insurance office for discussion and expression of opinion (art. 1623) if the matter to be settled deals with the insurance obligation, the right to insure voluntarily, or the invalidity.

ARTICLE 1633.

Articles 1630 to 1632 are correspondingly applicable if a pension is to be withdrawn or stopped.

ARTICLE 1634.

PARAGRAPH 1. On application of the local insurance office the insurance carrier may charge to a party affected by the decision any costs which he has caused by malice, obstruction, or deceit.

PAR. 2. These costs shall accrue to the treasury of the insurance carrier.

4. Renewal of applications.

ARTICLE 1635.

PARAGRAPH 1. If an application for an invalidity pension or for the payment of the widows' pension has been definitely refused, because permanent invalidity could not be proved, or if an invalidity or widows' pension has been withdrawn with legal effect, because the invalidity existed no longer, then the application may only be repeated one year after the delivery of the decision, and sooner only if it is authentically certified that in the meantime circumstances have arisen which furnish proof of the invalidity.

PAR. 2. If the certification is not produced, then the local insurance office shall refuse the application as being repeated prematurely. The decision is not contestable.

SECTION TWO.—DETERMINATION BY JUDGMENT PROCEDURE.

I. PROCEDURE BEFORE THE LOCAL INSURANCE OFFICE.

1. Competence of the local insurance office.

ARTICLE 1636.

In disputes as to the benefits of the sickness insurance the local insurance office (judgment committee), with reservation of article 1661, on application decides in the first instance.

ARTICLE 1637.

That local insurance office is the competent one in whose district at the time of the application the insured person is residing or is employed.

ARTICLE 1638.

PARAGRAPH 1. If the insured person has no place of residence or employment in Germany, or if he is dead, or his whereabouts are unknown, his last place of residence or employment in Germany shall be decisive.

PAR. 2. If there is no such place, then the seat of the establishment shall be decisive in which the insured person is employed or was last employed.

ARTICLE 1639.

If, according to articles 1637 and 1638, several local insurance offices are competent, preference shall be given to the one which was first approached.

ARTICLE 1640.

PARAGRAPH 1. If the local insurance office believes that another office is competent, it shall transmit the matter to the latter.

PAR. 2. If the latter office also believes it is not competent, then the decision rests with the president of that superior insurance office to which both offices are subordinate; or if there is no such office, with the Imperial Insurance Office (or the State insurance office).

PAR. 3. The decision is final and binding for the lower instances.

2. Disqualification and rejection of members of the judgment committee.

ARTICLE 1641.

The following are disqualified from participation in the judgment committee:

1. Whoever is himself one of the parties to the matter;
2. Whoever is liable for reimbursement to one of the parties;
3. Whoever is or has been married to one of the parties;
4. Whoever is related in direct line or related by marriage, or related in collateral line in the second or third degree, or related by marriage in the third degree to one of the parties;
5. Whoever was summoned in the matter as an authorized agent or assistant of one of the parties, or is entitled to act as his legal representative, or has been so entitled;
6. Whoever has been examined in the matter as a witness or expert;
7. Whoever has participated in the decision as to the benefit as a member of an administrative body of the insurance carrier.

ARTICLE 1642.

If the president of the local insurance office is at the same time president of an administrative body of the insurance carrier, then he shall also be excluded from participation in the judgment committee in such matters of this insurance carrier in which he was not active formerly.

ARTICLE 1643.

PARAGRAPH 1. Members of the judgment committee may be rejected for reasons which justify their disqualification as well as on account of prejudice. The rejection on account of prejudice is justified if facts are submitted which may warrant distrust as to the member's impartiality.

PAR. 2. No member may be rejected as prejudiced if the party knew the reason of disqualification before, but brings it forward only after the party has entered into a proceeding before the judgment committee.

ARTICLE 1644.

The president of the local insurance office shall not be excluded from participation in the judgment committee because he was officially active in the matter in the preliminary proceedings; he shall also not be rejected as prejudiced for this reason.

ARTICLE 1645.

PARAGRAPH 1. The grounds for the rejection must be reasonable.

PAR. 2. If the party, after having entered into a proceeding, declines to accept a member of the judgment committee as being prejudiced, he must show that the grounds for the rejection have arisen only at a later time or have only later been ascertained by him.

ARTICLE 1646.

If the acceptance of a representative of the insurance is declined, the president decides. If the acceptance of the president is declined, the superior insurance office decides finally. No decision is necessary if the person whose acceptance was declined considers the application for rejection as justified.

ARTICLE 1647.

PARAGRAPH 1. The decision which considers the application as justified is final.
PAR. 2. The decision of the president which rejects the application may not be contested by itself alone, but only together with the decision on the main matter.

ARTICLE 1648.

Article 1646 is also applicable if a member of the judgment committee himself announces a fact which could justify the declination to accept him, or if doubts arise on the question whether he is disqualified by a legal reason.

ARTICLE 1649.

If after the disqualification of members or declination to accept members an insurance authority becomes incapable of making a decision, then the next higher judgment authority shall determine which other authority of equal rank shall decide the matter.

3. Procedure up to the oral proceedings.

ARTICLE 1650.

PARAGRAPH 1. The application described in article 1636 shall be made at the competent local insurance office (arts. 1637 to 1640).
PAR. 2. Article 129, paragraphs 2 and 3, is correspondingly applicable to the application at other authorities.
PAR. 3. Minors who have completed the sixteenth year of their age can make for themselves application independently and prosecute it independently.

ARTICLE 1651.

The application for a decision of the local insurance office effects a stay, if the matter in question deals with a settlement in the form of a capital sum (arts. 217 and 218). The settlement can only be confirmed or annulled by judgment procedure.

ARTICLE 1652.

PARAGRAPH 1. The president prepares the matter and may collect evidence before the oral proceedings begin.
PAR. 2. According to his own judgment he can make personal inspections, examine witnesses and experts, also under oath procure opinions from physicians and all kinds of official information, and may also call in other insurance carriers.
PAR. 3. Witnesses and experts shall only be sworn in if the president deems this necessary in order to obtain a true deposition. Article 1571, paragraphs 2 to 4; articles 1573, 1574, paragraph 1; articles 1575, 1577 to 1579, and 1580, paragraphs 2 to 5, are here correspondingly applicable; the president decides whether the deposition or taking of the oath may be refused. Within one week an appeal to the superior insurance office against his decision is permissible. The superior insurance office (decision chamber) decides finally.

ARTICLE 1653.

PARAGRAPH 1. The contents and on demand a copy of the proceedings concerning the evidence shall be communicated to the parties affected.
PAR. 2. The president decides in how far medical certificates and opinions shall be communicated. The judgment committee may make the communication later on.

ARTICLE 1654.

PARAGRAPH 1. If the claim depends on a status of family or hereditary rights, the president may direct the parties affected to have the status determined by the regular courts.
PAR. 2. At the same time he specifies up to which date the suit must be filed; on application the time limit may be extended.

ARTICLE 1655.

PARAGRAPH 1. The president specifies the time of the proceedings and notifies the parties thereof.
PAR. 2. The president may summon witnesses and experts to the oral proceedings and give other orders, especially as to the personal appearance of the applicant.

ARTICLE 1656.

Article 1603 is correspondingly applicable to the order in which the insurance representatives shall be called in to the proceedings.

ARTICLE 1657.

The president may give a preliminary decision in all matters without oral proceedings.

ARTICLE 1658.

PARAGRAPH 1. Against the preliminary decision, that legal remedy may be interposed which would be admissible against the decision, or application may be made within the same time limit for oral proceedings. The preliminary decision shall call attention thereto with a statement of the time limit.

PAR. 2. Minors, who have completed their sixteenth year of age, can make application for oral proceedings independently.

PAR. 3. If the application for oral proceedings was made too late, it shall be refused as inadmissible.

ARTICLE 1659.

PARAGRAPH 1. If use has been made of both legal remedies, then the oral proceedings shall take place.

PAR. 2. In regard to the legal remedies and the resumption of the proceedings, the preliminary decision is considered equal to a decision if no application has been made for oral proceedings.

4. Oral proceedings.

ARTICLE 1660.

PARAGRAPH 1. The proceedings before the judgment committee shall be conducted orally and publicly.

PAR. 2. Publicity may be forbidden for reasons of public welfare and morality; the decision shall be made public.

ARTICLE 1661.

In public oral proceedings on benefits of the sickness insurance the president alone decides if the matters to be settled deal with—

1. Solely the computation of the determination of the duration and amount of the sick benefit;
2. The granting of hospital care in the place of the sick benefit;
3. The funeral benefit;
4. Benefits the total amount of which is less than 50 marks [$11.90.]

ARTICLE 1662.

The applicant may either appear himself or may have himself represented; the insurance carrier may also have itself represented. The parties and the representatives of the parties who appear shall be given a hearing.

ARTICLE 1663.

PARAGRAPH 1. The local insurance office may exclude authorized representatives and assistants who make a business of appearing before authorities.

PAR. 2. This is not applicable to lawyers and such persons who are permitted to appear before courts (art. 157 of the Civil Code), nor to such persons who are admitted as legal representatives before local and superior insurance offices and do so as a business.

PAR. 3. The superior insurance office decides on the admission, the highest administrative authority on appeal.

PAR. 4. The admission may be refused only if an important reason exists; it may not be refused for reasons based on the religious or political activity of the applicant.

ARTICLE 1664.

PARAGRAPH 1. The provisions of the law on the constitution of the courts (*Gerichtsverfassungsgesetz*) relating to the maintenance of order in the session (arts. 176 to 182, and 184) are correspondingly applicable.

PAR. 2. The superior insurance office decides finally on appeals against penalties for acts of disorder.

ARTICLE 1665.

PARAGRAPH 1. If the judgment committee does not deem the matter sufficiently elucidated, it shall decide on the necessary proof. The president may be charged with the execution of the decision.

PAR. 2. Articles 1652, paragraphs 2 and 3, and 1653, shall be correspondingly applicable for the production of evidence; and article 1654 for the subsequent order to have a legal status determined by the ordinary law procedure.

ARTICLE 1666.

The dispute is considered as settled if the parties come to an agreement as to the disputed claim and costs which may have arisen.

ARTICLE 1667.

PARAGRAPH 1. The judgment committee decides according to a majority of votes.

PAR. 2. If no majority can be obtained in the voting on the amount of benefits, then the votes cast for the larger amount shall be added to those cast for the next smaller one until a majority results.

ARTICLE 1668.

PARAGRAPH 1. If the judgment committee holds that the claim is established, it shall at the same time determine the amount and the time when the benefit begins.

PAR. 2. If, as an exception, the claim has been allowed because of the reasons stated, then a provisional benefit shall be decreed and its amount determined. The determination of the provisional benefit is final; the provisional payments shall be charged against the claim.

ARTICLE 1669.

PARAGRAPH 1. If by order of the president the applicant has appeared at the oral proceedings, then, on demand, he shall be reimbursed for his cash expenditures and loss of time; they may be refunded if he has appeared without any order and the judgment committee deems the appearance necessary.

PAR. 2. On appeal against the decree which determines or disallows the compensation, the superior insurance office decides finally.

PAR. 3. If the applicant has appeared without an order, the reimbursement is considered as disallowed unless the judgment committee explicitly decides that the appearance was necessary. No appeal takes place in this case.

ARTICLE 1670.

PARAGRAPH 1. At the proceedings shall be examined on the initiative of the officials whether and to what extent the party who lost the case shall refund the costs of his opponent.

PAR. 2. The amount of these costs shall be determined in the decision.

PAR. 3. On application of the party they shall be collected through the instrumentality of the local insurance office in like manner as communal taxes.

ARTICLE 1671.

PARAGRAPH 1. The decision of the judgment committee shall be made public even if publicity in the proceedings was forbidden.

PAR. 2. It shall contain the reason, be signed by the president, copies made out, and delivered to the parties.

ARTICLE 1672.

A written record shall be made of the oral proceedings.

ARTICLE 1673.

PARAGRAPH 1. Errors in writing or in the computation and similar evident mistakes which exist in the decision shall always on application or on the initiative of the officials be corrected.

PAR. 2. The president shall decide without oral proceedings whether corrections shall be made.

PAR. 3. If he makes a correction, the authorization shall be noted on the original of the decision and on the copies. The party affected may appeal against the decree to the superior insurance office; the superior insurance office decides finally.

PAR. 4. The decree which refuses a correction may not be contested.

ARTICLE 1674.

PARAGRAPH 1. If the decision has wholly or partly omitted a principal or secondary claim submitted by a party, or the matter of costs, on application it shall be supplemented later.

PAR. 2. Such application may be decided without oral proceedings, if the matters to be settled deal with a secondary claim or a matter of costs.

PAR. 3. The supplementary decision shall be noted on the original of the decision and the copies.

II. PROCEDURE BEFORE THE SUPERIOR INSURANCE OFFICE.

ARTICLE 1675.

Against final decisions of the carriers of the accident insurance, also against decisions of carriers of the invalidity and survivors' insurance, and likewise against judgments of the local insurance office, the legal remedy of the appeal to the superior insurance office (judgment chamber) is permissible.

ARTICLE 1676.

On the appeal in matters of the sickness insurance, the superior insurance office decides for the district of that local insurance office which has issued the contested decision or the president of which has issued the contested preliminary decision.

ARTICLE 1677.

PARAGRAPH 1. On the appeal in matters of the accident insurance that superior insurance office decides in whose district the insured person at the time of the filing of the appeal was residing or was employed. Articles 1638 to 1640 are here correspondingly applicable.

PAR. 2. In matters of the navigation accident insurance the home port of the vessel, or the seat of the establishment in which the accident occurred, regulates the competence of the superior insurance office. If the home port is not situated in the district of a superior insurance office, the appeal shall be filed at the superior insurance office which is competent for the seat of the navigation accident association.

ARTICLE 1678.

PARAGRAPH 1. On the appeal in matters of the invalidity and survivors' insurance, the superior insurance office for the district of that local insurance office, decides which according to articles 1617 to 1627, has participated in the preparation of the matter.

PAR. 2. If the preparation and expression of an opinion on the matter has been transferred to administrative bodies of miners' associations, miners' funds, or to special institutes for establishments of the Empire or of federal States, then that superior insurance office is the competent one in the district of which the seat of these administrative bodies is located.

ARTICLE 1679.

PARAGRAPH 1. The provisions for the judicial procedure before the local insurance office are correspondingly applicable to the procedure in the case of appeals, in so far as articles 1680 to 1693 do not provide otherwise.

PAR. 2. Article 1581 is correspondingly applicable to the obligation of reporting the earnings.

ARTICLE 1680.

In matters of sickness insurance the appeal shall be filed with the local insurance office. The local insurance office shall, not later than two weeks afterward, submit it, together with the preliminary proceedings, to the superior insurance office.

ARTICLE 1681.

If the insured person or his survivors make application to hear the opinion of a specified physician, the superior insurance office, if it desires to grant the application, may make the hearing dependent on the condition that the applicant shall advance the costs and finally defray them unless the superior insurance office decides otherwise.

ARTICLE 1682.

The appeal effects a stay if the matter to be settled deals with—

The resumption of the course of treatment according to articles 603, 604, 952, and 1112;

The settlement in the form of a capital sum (arts. 616, 617, 955, 1117, 1316, 1317, and 1476).

ARTICLE 1683.

PARAGRAPH 1. If a final decision of the insurance carrier, which on account of a change in conditions reduces or withdraws an accident compensation, has been contested, then the president on application may decree that the execution of the decision shall be wholly or partly suspended in the meantime.

PAR. 2. The decree may at any time be revoked. It may not be contested by itself alone, but only together with the decision in the principal matter.

ARTICLE 1684.

PARAGRAPH 1. The associates shall be called in to the proceedings of the judgment chamber in an order of succession determined in advance. The highest administrative authority determines the particulars. Associates who have been elected to the decision chamber shall not be called in to the proceedings of the judgment chamber as frequently as others.

PAR. 2. If for special reasons the president desires to depart from the order of succession, he shall state these reasons in the documents.

ARTICLE 1685.

PARAGRAPH 1. In matters of the accident insurance as far as possible those associates shall be summoned who are persons belonging to such establishments which in technical and economic features closely resemble the establishment in which the accident occurred, regardless of the regular order.

PAR. 2. This must be done where the matter to be settled deals with accidents in agriculture or mining establishments, in so far as persons belonging to such establishments are available as associates at the superior insurance office. Exceptions are permissible for special reasons which shall be stated in the documents.

ARTICLE 1686.

PARAGRAPH 1. The superior insurance office (decision chamber) shall elect for four-year terms at the end of the last year the physicians whom it shall summon as experts, according to need; they shall be elected from its district and, as a rule, after a hearing of the competent medical association. Such physicians, who stand in contract relations to carriers of the accident insurance, or whose services are regularly used by them for the expression of opinions, shall not be summoned as experts in matters of the accident insurance. The same is correspondingly applicable to the invalidity and survivors' insurance. At least half their number shall reside at the seat of the superior insurance office.

PAR. 2. The names of the persons elected shall be published.

PAR. 3. The experts shall, before they express their opinion, be permitted to inspect the documents.

PAR. 4. The highest administrative authority shall regulate the execution of this provision.

ARTICLE 1687.

Carriers of the accident insurance not affected by the dispute may by a judgment be required to pay compensation, if they have been summoned to the proceedings.

ARTICLE 1688.

If an accident pension is reduced, the superior insurance office shall determine finally the extent to which each later pension payment shall be reduced to balance the excess already paid.

ARTICLE 1689.

A decision or final decision which determines a settlement by a capital sum, according to articles 616, 617, 955, 1117, 1316, 1317, and 1476, can only be confirmed or abrogated in a judgment procedure.

ARTICLE 1690.

PARAGRAPH 1. If the judgment chamber has abrogated the contested decision or final decision on the contested judgment on account of an essential defect in the procedure, it may reassign the matter to the lower authority or to the insurance carrier.

PAR. 2. In connection herewith it may decree the granting of a provisional benefit.

ARTICLE 1691.

The provisions of article 1661 relating to the decision by the president alone are not applicable to the procedure in appeals.

ARTICLE 1692.

PARAGRAPH 1. If it has been determined that the judgment may not be contested by a review or final appeal (arts. 1695, 1696, and 1700), then the president of the judgment chamber shall, with a reference to the legal provisions, state at the close of the judgment that no further legal remedy is permissible against it.

PAR. 2. If a preliminary decision has been issued (art. 1679 in connection with art. 1657), then it shall be stated that only an application for oral proceedings before the judgment chamber is permissible; the time limit for it is to be designated.

ARTICLE 1693.

PARAGRAPH 1. If, in a case in which a review or final appeal is forbidden (arts. 1695, 1696, and 1700), the superior insurance office desires to dissent from a fundamental decision of the Imperial Insurance Office, officially published, or if the matter to be settled in such a case deals with an interpretation of legal provisions of fundamental importance which has not yet been determined, it shall transmit the matter with a justification of its legal interpretation to the Imperial Insurance Office.

PAR. 2. If the superior insurance office desires to dissent in such a case from an officially published decision of the State insurance office to which it is subordinate, it shall then transmit the matter to the State office.

PAR. 3. If the superior insurance office desires to dissent in the same matter from a fundamental decision of the Imperial Insurance Office and of a State insurance office officially published, then the Imperial Insurance Office is competent for the decision.

PAR. 4. The Imperial Insurance Office (or the State insurance office) decides in these cases in place of the superior insurance office. The parties affected shall be notified that the matter has been so referred.

III. PROCEDURE BEFORE THE IMPERIAL INSURANCE OFFICE (OR THE STATE INSURANCE OFFICE).

1. Sickness, and invalidity and survivors' insurance.

ARTICLE 1694.

Against the judgments of the judgment chambers a review is permissible in matters of the sickness insurance, as also of the invalidity and survivors' insurance.

ARTICLE 1695.

In the case of claims to benefits of the sickness insurance, the review is excluded if the matter to be settled deals with—

1. The amount of the pecuniary sick benefit, the house money, or the funeral benefit;
2. Cases for relief in which the sick person was not disabled or was disabled less than eight weeks;
3. Maternity benefits;
4. Family benefits;
5. Settlement by capital sums;
6. Costs of procedure.

ARTICLE 1696.

In the case of claims to benefits of the invalidity and survivors' insurance, the review is excluded if the matter to be settled deals with—

1. The amount, beginning, and termination of the pension;
2. Settlement in the form of a capital sum;
3. Widows' money;
4. Orphans' settlements;
5. Costs of procedure.

ARTICLE 1697.

The review may only be based on the fact that—

1. The contested judgment is based on the nonemployment or incorrect employment of the existing law or on an offense against the clear content of the acts.
2. The procedure had essential defects.

ARTICLE 1698.

PARAGRAPH 1. The provisions for the judgment procedure before the local insurance office are applicable to the procedure of review in so far as articles 1707 to 1721 do not provide otherwise.

PAR. 2. The provisions of articles 1656 to 1659 and 1661 are not applicable.

2. Accident insurance.

ARTICLE 1699.

Against the judgments of the judgment chambers a final appeal is permissible in matters relating to the accident insurance.

ARTICLE 1700.

A final appeal is not permitted if the matter to be settled deals with—

1. The medical treatment (art. 558, No. 1) or house care (art. 599);
2. The pension for a disability which at the time of that decision of the court from which the final appeal is taken has been passed over without contest or passed over after a legal determination has been made;
3. Parts of pensions which are to be granted for restricted periods which have already expired;
4. Treatment in a medical institution;
5. Pensions to relatives;
6. Funeral benefits;
7. Provisional pensions (art. 1585, par. 1);
8. Redetermination of a permanent pension on account of change of condition;
9. Settlement in the form of a capital sum;
10. Costs of procedure.

ARTICLE 1701.

PARAGRAPH 1. The provisions relating to the judgment procedure before the local insurance office, as well as articles 1679, paragraph 2, 1681, and 1682, are correspondingly applicable to the procedure of final appeal in so far as articles 1702 to 1721 do not provide otherwise.

PAR. 2. Articles 1656 to 1659 are here not applicable.

ARTICLE 1702.

The employers and insured persons elected from the corresponding field of the accident insurance shall be called in to the proceedings.

ARTICLE 1703.

A carrier of the accident insurance which is not affected by the dispute may be summoned to the final appeal procedure. It can be required by a judgment to pay compensation even if a claim against it has already been disallowed with legal effect.

ARTICLE 1704.

PARAGRAPH 1. If a senate of the Imperial Insurance Office has denied the obligation of an insurance carrier to provide compensation, because another insurance

carrier is liable, then the claim against the other insurance carrier may not be disallowed because the insurance carrier which was exempted in the former procedure is liable to compensation.

PAR. 2. If in a previous procedure a State insurance office denied the obligation to compensation, and if another State insurance office intends to disallow the claim because it believes that the insurance carrier exempted in the previous procedure is liable to compensation, then the matter shall be transmitted to the Imperial Insurance Office for a decision.

ARTICLE 1705.

PARAGRAPH 1. If the obligation to compensation of an insurance carrier has been determined finally, then on application the Imperial Insurance Office (judgment senate) may discontinue a procedure which, on account of the same accident, is pending against another insurance carrier.

PAR. 2. The State insurance office shall take the place of the Imperial Insurance Office if the districts of the insurance carriers affected do not extend beyond the territory of the federal State.

ARTICLE 1706.

PARAGRAPH 1. If claims to compensation against several insurance carriers on account of the same accident have been allowed finally, then the Imperial Insurance Office (judgment senate) shall abrogate the determination which has been incorrectly made. The payments made shall be refunded from the compensation. In case of dispute the claim for reimbursement shall be decided by judgment procedure.

PAR. 2. In place of the Imperial Insurance Office the State insurance office shall decide if the districts of the insurance carriers affected do not extend beyond the territory of the federal State.

3. General provisions.

ARTICLE 1707.

If an otherwise permissible remedy at law of a party refers also to claims for which the remedy at law is not permitted, then a decision on the case shall be made only if the requirements of the applications which are permissible have been met either wholly or partly.

ARTICLE 1708.

PARAGRAPH 1. The Imperial Insurance Office decides as to the remedy at law.

PAR. 2. In the place of the Imperial Insurance Office the State insurance office shall decide if the district of the insurance carrier affected does not extend beyond the territory of the federal State. But in so far as an insurance carrier is affected for which the Imperial Insurance Office or another State insurance office is competent, the Imperial Insurance Office shall decide.

PAR. 3. The decisions shall be made by the judgment senate.

ARTICLE 1709.

PARAGRAPH 1. The remedy at law shall be stated in writing, and it shall state the reasons therefor.

PAR. 2. The senate may also alter the judgment contested for reasons other than those stated in the remedy at law.

ARTICLE 1710.

With the exception of the cases mentioned in article 1682, the remedies at law effect a stay if they are submitted by the insurance carrier in relation to amounts which must be paid subsequently for the period previous to the issuing of the contested judgment.

ARTICLE 1711.

If the contested judgment has been designated incorrectly as a final one (art. 1692), the remedy at law shall be permissible; it shall be submitted within one year after its delivery.

ARTICLE 1712.

If a member of the judgment senate has been disqualified for a reason which justifies his exclusion, or because prejudice is apprehended, then the judgment senate shall decide on the application for disqualification. The person disqualified shall not participate in the decision. In the case of a tie vote the application shall be considered as disallowed.

ARTICLE 1713.

PARAGRAPH 1. If the president of the senate is of the same opinion as the reporter that the remedy at law is not permissible, or has been submitted at too late a date, he may disallow it without oral proceedings. If the remedy at law has been disallowed as belated, the applicant may within one week after delivery of the decree appeal to the judgment senate; the decree must refer to it.

PAR. 2. Otherwise the decision must be made in a public session after an oral proceeding.

ARTICLE 1714.

The Imperial Insurance Office (or the State insurance office) shall decide in regard to the admission of persons to act as legal representatives before the senates as a business (art. 1663, par. 3). Article 1663, paragraph 4, is here correspondingly applicable.

ARTICLE 1715.

PARAGRAPH 1. If the judgment contested is abrogated then the senate may either itself decide on the matter, or return it for decision to one of the lower authorities, or to the insurance carrier. In such case it may order the granting of a provisional benefit.

PAR. 2. The office to which the matter is transferred is restricted to the legal grounds of appeal on which the abrogation of the contested judgment is based.

ARTICLE 1716.

PARAGRAPH 1. The Imperial Insurance Office and the State insurance office shall publish those of their decisions which are of fundamental importance.

PAR. 2. For the Imperial Insurance Office the imperial chancellor shall specify the manner of publication; the highest administrative authority shall do so for the State insurance office.

PAR. 3. These shall also specify the previous publications to which articles 1693, 1717, and 1718 shall be applicable.

ARTICLE 1717.

PARAGRAPH 1. If in a fundamental legal question a senate of the Imperial Insurance Office desires to dissent from the decision of another senate, it shall refer the matter with the reasons for its legal interpretation to the great senate (art. 101). The same is applicable if a senate desires to dissent from the decision of the great senate itself.

PAR. 2. The referring senate shall designate one of its members who, in the decision of the matter, shall as an associate in the great senate, take the place of another member of the same group of this senate. The imperial decree (art. 35, par. 2) shall specify the regular order in which the other members of the great senate shall participate in the decisions.

ARTICLE 1718.

PARAGRAPH 1. Article 1717, paragraph 1, shall be correspondingly applicable, if a judgment senate of a State insurance office desires to dissent in a fundamental legal question from an officially published decision of the Imperial Insurance Office.

PAR. 2. The referring senate of the State insurance office shall send one of its members to the proceedings of the great senate; he shall become an associate in the great senate. Moreover, a member of another State insurance office who, according to a detailed regulation of the State government, shall be designated in advance for a fiscal year, shall be added as a member of this senate. The imperial decree (art. 35, par. 2) shall specify which State insurance office shall delegate the second member. If only one State insurance office exists, it shall send two members.

ARTICLE 1719.

The State government shall specify the procedure to be followed if a senate of a State insurance office desires to dissent from the decision of another senate of the same State insurance office.

ARTICLE 1720.

PARAGRAPH 1. The decisions of the senates shall be signed by the president, the one reporting and another member of the senate.

PAR. 2. If the president or the one reporting is unable to serve, another member of the senate shall sign for him.

ARTICLE 1721.

The decree which rectifies a decision (art. 1673) shall be issued by the president and by those members of the senate who have signed the judgment; the decree can not be contested.

IV. REOPENING OF THE PROCEDURE.

1. Grounds for contesting.

ARTICLE 1722.

PARAGRAPH 1. A procedure concluded by a valid decision may be reopened if—

1. The judgment authority was not constituted according to regulations;
2. A person has participated in the decision, who on legal grounds is not permitted to participate unless this hindrance has been successfully brought forward either by a disqualification or remedies at law;
3. A person has participated in the decision although he has been disqualified as being prejudiced, and the disqualification was declared as well founded;
4. A party was not represented in the procedure as required by the provisions of the law, in so far as he has not expressly or tacitly approved the conduct of the dispute.

PAR. 2. In the cases mentioned in numbers 1 and 3 the reopening is not permissible if the ground for contesting could have been made valid by a remedy at law.

ARTICLE 1723.

The reopening is also permissible if—

1. A document, on which the decision is based, has been fraudulently made out or was forged;
2. In swearing to testimony or expression of opinion, on which the decision is based, the witness or expert has either purposely or negligently violated the obligation imposed by the oath;
3. The representative of the party, or the opponent or his representative, has obtained the decision by an action punishable with a public penalty;
4. A person has participated in the decision who at the proceedings has violated his official obligations toward the party, in so far as such violation is punishable by a public penalty;
5. A criminal judgment on which the decision is based has been abrogated by another judgment which has become valid;
6. A party subsequently finds or becomes able to use a document which would have brought about a decision more favorable to him.

ARTICLE 1724.

The reopening is only permissible in the cases of article 1723, numbers 1 to 4, if—

1. A valid criminal sentence has been rendered on account of the penal act;
2. A judicial criminal procedure could not be instituted or concluded for reasons other than absence of proof.

ARTICLE 1725.

In all of the cases of article 1723 the reopening is permissible only if the party, without any fault of his own, could not make valid the ground for contesting in the previous proceeding, especially by the use of a remedy at law.

ARTICLE 1726.

Together with the application for a reopening, the grounds for contesting which relate to an older decision of the same or of the lower authorities may be made valid if the contested decision is based on the older one.

2. Competence.

ARTICLE 1727.

PARAGRAPH 1. The judgment office whose decision has been contested shall decide on the application.

PAR. 2. If several decisions have been contested which were issued by judgment offices of different rank, the decision shall rest with the judgment office of higher rank.

The superior insurance office shall decide in the place of the Imperial Insurance Office (or the State insurance office) if a judgment has been contested which was issued in a reviewing procedure on the basis of article 1723, Nos. 1, 2, 5, or 6.

3. Course of the procedure.

ARTICLE 1728.

PARAGRAPH 1. The application must be filed within one month.

PAR. 2. The time limit begins with the date on which the party learns the ground of contesting, but not before the decision becomes effective. After the expiration of five years, beginning with the date of validity, the application is no longer permissible.

PAR. 3. The provisions of paragraph 2 shall not be applicable if the application is made for a reopening on account of inadequate representation. The time limit begins then from the date on which the judgment was delivered to the party or, if he was not able to conduct the litigation himself, to his legal representative.

ARTICLE 1729.

The reopening may also be started on the initiative of the officials.

ARTICLE 1730.

The provision of article 129, paragraphs 2 and 3, relating to the observance of the time limit, is also correspondingly applicable to the time limits of exclusion mentioned in article 1728.

ARTICLE 1731.

PARAGRAPH 1. If the application is belated or is not permissible, the president of the judgment office can disallow it without oral proceedings by a decree which states the reasons therefor. The president of the judgment senate may do so only if he concurs therein with the one reporting.

PAR. 2. The applicant may appeal within one week after the delivery of the decision to the competent authority. The decree must refer to this fact.

ARTICLE 1732.

PARAGRAPH 1. If the application has been made in due time and is permissible, the principal matter shall be tried anew in so far as the grounds for contesting relate to it.

PAR. 2. Those provisions are applicable to the new procedure which are valid for the authority to which the new procedure has been referred.

ARTICLE 1733.

Remedies at law shall be permissible in so far as they are stated—if they are stated—against the decisions of the authorities which have to deal with the reopening.

4. Final provisions.

ARTICLE 1734.

With the approval of the Federal Council the reopening may by imperial decree be regulated in some other manner than that given in the preceding provisions.

SECTION THREE.—SPECIAL KINDS OF PROCEDURE.

I. CONTROVERSIES OF SEVERAL INSURANCE CARRIERS IN REGARD TO THE OBLIGATION TO FURNISH COMPENSATION.

ARTICLE 1735.

If an accident insurance carrier is of the opinion that although an accident requiring compensation exists, the compensation should not be granted by it, but by another insurance carrier, then it shall grant the beneficiary a provisional relief, communicate the proceedings to the other insurance carrier, and request it to acknowledge its obligation to furnish compensation.

ARTICLE 1736.

PARAGRAPH 1. If the other insurance carrier declines to admit its obligation to furnish compensation or does not make a declaration within six weeks, the matter shall be referred to the Imperial Insurance Office. The latter shall decide by judicial procedure which insurance carrier is liable to compensation.

PAR. 2. Where a State insurance office exists it shall decide if the district of the insurance carriers affected does not extend beyond the territory of the federal State. But in so far as an insurance carrier is participating, for which the Imperial Insurance Office or another State insurance office is competent, then the decision shall be made by the Imperial Insurance Office.

PAR. 3. Articles 1701, 1702, 1708, paragraph 2. 1712, 1714, and 1716 to 1721 are here correspondingly applicable. The decision shall be delivered to the insurance carriers affected and to the beneficiary.

ARTICLE 1737.

The Imperial Insurance Office (or the State insurance office) may summon to the procedure other insurance carriers according to article 1736. They can be ordered to pay a compensation, even if the claim against them has already been disallowed with legal effect. Article 1704 is here applicable.

ARTICLE 1738.

If the other insurance carrier (art. 1735) acknowledges its obligation to furnish compensation, or if it has been declared liable to compensation by the Imperial Insurance Office, it shall refund all expenditures to the insurance carrier which has provided the provisional relief. Controversies over claims for reimbursement shall be decided by judgment procedure.

II. PROCEDURE OF DISTRIBUTION.

ARTICLE 1739.

If the employment in which an accident occurred was carried on for several establishments or activities which are insured with different insurance carriers, then the insurance carriers affected may distribute the burden of compensation among themselves.

ARTICLE 1740.

PARAGRAPH 1. If they can not agree, the Imperial Insurance Office (judgment senate) may on application of one of them distribute the burden of compensation according to its own discretion.

PAR. 2. Where a State insurance office exists it has the right to do so, if the district of the insurance carriers affected does not extend beyond the territory of the federal State. In so far as an insurance carrier participates, for which the Imperial Insurance Office or the State insurance office is competent, the authority is vested in the Imperial Insurance Office.

PAR. 3. Articles 1701, 1702, 1712, 1714, and 1716 to 1721 are correspondingly applicable.

ARTICLE 1741.

An accident insurance carrier not affected by the dispute may be required to contribute a part of the contribution, even though the claim against it has already been disallowed with legal effect.

ARTICLE 1742.

All insurance carriers who are affected by the cost shall be called in to the procedure dealing with the amount of the compensation.

III. DETERMINATION OF THE VALIDITY OF A CLAIM TO A WIDOW'S PENSION.

ARTICLE 1743.

If a widow, before she is an invalid, makes a claim on the basis of the survivor's insurance, the amount of her widow's pension shall on her application be determined and the widow shall be informed of her right to make application for payment after the invalidity occurs (decision on the validity of a claim).

IV. CONTESTING THE FINAL DECISIONS OF THE INSURANCE CARRIER.

ARTICLE 1744.

PARAGRAPH 1. Against a valid decision or a final decision of an insurance carrier a new examination can be applied for or undertaken if one of the conditions mentioned in article 1723, Nos. 1 to 3, 5 or 6, are present.

PAR. 2. Articles 1724 to 1734 are here correspondingly applicable.

SECTION FOUR.—SPECIAL PROVISIONS FOR THE NAVIGATION ACCIDENT INSURANCE.

I. GENERAL PROVISIONS.

ARTICLE 1745.

The provisions relating to the determination of the benefits are also applicable to the navigation accident insurance in so far as articles 1746 to 1770 do not prescribe otherwise.

II. REPORTING OF ACCIDENTS.

ARTICLE 1746.

PARAGRAPH 1. An accident, sustained by a person employed on a seagoing vessel during the voyage, and which has the consequences designated in article 1552, paragraph 1, shall be recorded in the journal (ship's journal, log book) and be briefly described there or in an appendix.

PAR. 2. If no journal is kept, then the master of the vessel shall make a special written report of such accident.

ARTICLE 1747.

PARAGRAPH 1. The master of the vessel shall deliver a copy of each entry of this kind, attested by him, to that marine office (*Seemannsamt*) where it may first be done. In place of it he may also submit the ship's journal or the written record to the marine office (*Seemannsamt*) for the purpose of making of a copy.

PAR. 2. The marine office (*Seemannsamt*) shall return the ship's journal or the written record within 24 hours.

ARTICLE 1748.

If the accident occurs in Germany before or after the voyage, the master of the vessel shall not later than the third day after he has learned of it report it to the marine office (*Seemannsamt*), or if there is none in the place, to the local police authority, as well as to the administrative body of the association specified in the constitution.

ARTICLE 1749.

The marine office (*Seemannsamt*) or the local police authority shall transmit the copies and reports to the marine office of the home port.

ARTICLE 1750.

PARAGRAPH 1. In the case of small scale establishments engaged in marine navigation, as well as of sea and coast fishing (arts. 1186 and 1187), the accident report shall be directed to the local police authority in Germany in whose district the accident has occurred or where the injured person first remains after the accident.

PAR. 2. Special records of accidents on board are not to be kept.

ARTICLE 1751.

The Imperial Insurance Office shall draw up the model form for the description of accidents and for the records.

ARTICLE 1752.

Articles 1552 to 1558 shall otherwise be applicable to the reporting of accidents.

III. INVESTIGATION OF ACCIDENTS.

ARTICLE 1753.

PARAGRAPH 1. The accident shall be investigated by a marine office (*Seemannsamt*) or by the German local police authorities with corresponding application of articles 1559, 1563, paragraph 4, and 1564 to 1567.

PAR. 2. Articles 1754 to 1766 take the place of articles 1560 to 1562, and 1563, paragraphs 1 to 3.

ARTICLE 1754.

PARAGRAPH 1. If the accident must be investigated in a foreign country, the master of the vessel shall before that German consular office (*Konsulat*) before which it can first be done, with the assistance of two ship's officers or other trustworthy persons, make a solemn declaration of the facts, which are to be established according to article 1565.

PAR. 2. For the purpose of determining the matter, the marine office (*Seemannsamt*) may also obtain the solemn declaration of other persons and secure other proofs.

ARTICLE 1755.

PARAGRAPH 1. If the accident is to be investigated in Germany, the master of the vessel shall apply for it at a marine office (*Seemannsamt*), or where none exists in the place, at a German local police authority.

PAR. 2. The authority invoked shall conduct the investigation.

ARTICLE 1756.

Accidents in German establishments conducting floating docks and other establishments designated in article 1046, No. 3, shall be investigated by the local police authority to which the accident was reported.

ARTICLE 1757.

On application of the parties affected the higher administrative authority may transfer the investigation to another marine office (*Seemannsamt*) or to other local police authorities.

ARTICLE 1758.

In the establishments administered by the Empire or a federal State, the investigation shall be conducted by the service authorities to which they are subordinated. It may be transferred to other authorities.

ARTICLE 1759.

Article 42 of the Navigation Code is correspondingly applicable to the obligation of the ship's crew to cooperate in the case of declarations or proceedings for the purpose of the investigation of accidents.

ARTICLE 1760.

PARAGRAPH 1. Articles 1562 and 1563, paragraphs 1 to 3, are as far as practicable applicable to the calling in of the parties affected to the investigation.

PAR. 2. Experts shall be called in on application of the undertaker of an establishment and of the master of the vessel; the costs shall be paid by the insurance carrier.

ARTICLE 1761.

PARAGRAPH 1. A special declaration (*Verklarung*) (art. 552 of the Commercial Code), in compliance with the requirements of articles 1565 and 1760, shall take the place of the solemn declaration and of the investigation of the accident.

PAR. 2. The exemption from fees and stamp taxes (art. 137) is also applicable to the special declaration (*Verklarung*) (par. 1), which is made before German authorities, and to the investigation of the accident at the marine office (*Seemannsamt*).

ARTICLE 1762.

The authority shall transmit to the directorate of the accident association a certified copy of the investigation proceedings or of the special declaration.

ARTICLE 1763.

For the accidents having the consequences specified in article 1559, paragraph 1, the provisions of the law relating to the investigation of marine accidents are applicable as to the obligation—

1. Of the courts, port authorities, coast authorities, marine offices (*Seemannsämter*) officials in charge of the ship registers, to report without delay marine accidents which have come to their knowledge (art. 14, ibid.);
2. Of the German marine offices in foreign countries to undertake the investigations which can not be deferred and the collection of evidence in marine accidents which have come to their knowledge (art. 15, ibid.).

ARTICLE 1764.

PARAGRAPH 1. The accident reports (art. 1763) shall be forwarded to the directorate of the association.

PAR. 2. In addition, the obligation to report marine accidents to a marine office (*Seemannsamt*) continues to exist.

ARTICLE 1765.

If, within six months after the cognizance of the accident, the marine office (*Seemannsamt*) of the home port has not received any news relating to the investigation, it shall itself institute the investigation.

ARTICLE 1766.

PARAGRAPH 1. In the case of small scale establishments engaged in marine navigation, as well as of the sea and coast fishing establishments (arts. 1186 and 1187), the local police authorities to which the accident has been reported shall investigate it.

PAR. 2. On application of the parties affected, the higher administrative authorities may transfer the investigation to other police authorities.

IV. PENAL PROVISIONS.

ARTICLE 1767.

PARAGRAPH 1. The directorate of the association may impose fines of not more than 300 marks [$71.40] upon any person who violates the provisions relating to—

The entry in the journal (ship's journal) or other record of the accident;
The communication of the entry;
The making of solemn declarations;
The inauguration of the investigation.

PAR. 2. The ship owner is liable, according to article 1183, for the fines imposed on him or on the master of the vessel.

PAR. 3. On appeal the superior insurance office decides finally.

V. COMPETENCE OF THE ADMINISTRATIVE BODIES FOR DETERMINATIONS.

ARTICLE 1768.

If, according to article 1568, the directorate of the section must determine the accident compensation, then that section in the district of which the home port of the vessel is situated, or the establishment has its seat, is competent.

ARTICLE 1769.

In all of the cases mentioned in article 1568 the constitution of the navigation accident association may transfer the determination as follows:

To another administrative body of the association;
To a committee of the directorate of the association or of the section;
To special commissions;
To local representatives (district agents).

VI. CONTROVERSIES.

ARTICLE 1770.

PARAGRAPH 1. Articles 1108 and 1109 shall be applicable to controversies relating to claims of seamen arising out of the provisions of articles 1083 to 1086, 1092, 1104, and 1106.

PAR. 2. The same is applicable to claims of seamen which, according to article 1094, have been transferred to the insurance carrier.

B. OTHER JUDGMENT MATTERS.

1. GENERAL PROVISIONS.

ARTICLE 1771.

For controversies which must be settled not by determination procedure, but according to the specific provisions of this law by judgment procedure, articles 1636 to 1734 are correspondingly applicable in so far as articles 1772 to 1779 do not prescribe otherwise.

II. COMPETENCE.

ARTICLE 1772.

The local insurance office (judgment committee) decides disputes of the kind designated in article 1771.

ARTICLE 1773.

The local insurance office which must decide the dispute over the principal claim is also competent for all claims relating to reimbursement, refunding, and other claims arising out of the principal claim.

ARTICLE 1774.

PARAGRAPH 1. If the principal claim shall not be decided by a local insurance office, or if the claim for reimbursement has originated out of the obligation of a commune, a poor-law union, an undertaker of an establishment, or a fund for the relief of indigent persons (arts. 1531, 1541), then that local insurance office is competent in whose district the insured person resides or is employed.

PAR. 2. If the insured person has no place of residence or employment in Germany, or if he has died or is not accounted for, then article 1638 shall be applicable.

ARTICLE 1775.

A dispute between a sick fund which is subordinated to a local insurance office on the one hand and a miners' sick fund or substitute fund on the other shall be decided by the local insurance office.

III. OTHER PROVISIONS.

ARTICLE 1776.

Only the remedy at law, but not the application for oral proceedings, is permissible against preliminary decisions.

ARTICLE 1777.

Only the review shall be permissible against judgments of the judgment chambers.

ARTICLE 1778.

PARAGRAPH 1. The review is not permissible in the case of reimbursement and refunding claims if the matter to be settled deals with temporary benefits.

PAR. 2. It is, however, permissible for reimbursement and refunding claims which are regulated in book 5 of this law.

ARTICLE 1779.

The appeal and the review effect a stay if the matter to be settled deals with claims for reimbursement.

C. DECISION PROCEDURE.

SECTION ONE.—GENERAL PROVISIONS.

ARTICLE 1780.

The decisions of the insurance authorities are arrived at by decision procedure, in so far as this law does not prescribe the judgment procedure.

ARTICLE 1781.

PARAGRAPH 1. The law determines which decision matters shall be determined by the decision committee, decision chamber, or decision senate. Decision matters which, according to the law, shall be decided by the decision committee shall, in so far as appeal to decision procedure is permissible, be decided by the decision chamber and decision senate. This shall be correspondingly applicable to decision matters which, according to the law, shall be decided by the decision chamber as authority of first instance.

PAR. 2. The president of the decision chamber may also refer to it other decision matters if the matters to be settled deal with questions of fundamental importance; he must do so, if in case of differences of opinion a member, who participated in the preparation of the matter, makes application therefor. This shall be correspondingly applicable to the decision senate.

PAR. 3. Members of the Imperial Insurance Office (or the State insurance office), who are charged with the preparation of the matter, may be called into the decisions of the decision senate according to the detailed specifications of the decrees relating to the procedure (art. 35, par. 2, and art. 109, par. 1).

PAR. 4. In other respects these decrees shall specify who shall settle decision matters.

ARTICLE 1782.

The employers and insured persons elected from the corresponding field of the accident insurance shall be called into the proceedings of the decision senates in matters of the accident insurance.

ARTICLE 1783.

PARAGRAPH 1. In matters of the sickness insurance, the local insurance office or the superior insurance office, in the district of which the fund affected has its seat, is locally competent as the authority of first instance of the decision procedure, in so far as this law does not provide otherwise.

PAR. 2. If several funds are affected, which have their seat in the district of several local insurance offices, then the local insurance office of that fund to which the insured person belongs is competent. If he does not belong to any of them, or the matter to be settled deals with a dispute according to article 258, then the superior insurance office shall decide which local insurance office is competent. If the funds have their seats in the districts of different superior insurance offices, then the highest administrative authority shall determine the competent local insurance office or superior insurance office.

ARTICLE 1784.

In matters of the accident insurance the local insurance office or superior insurance office in whose district is located the seat of the establishment or where the insured activity is exercised, is locally competent as the authority of first instance of the decision procedure, in so far as this law does not provide otherwise.

ARTICLE 1785.

PARAGRAPH 1. In matters of the invalidity and survivors' insurance, the local insurance office or the superior insurance office in the district of which the employment which gives occasion for the decision took place, and in the case of voluntary insurance the local insurance office or the superior insurance office in whose district the insured person resides is locally competent as the authority of first instance of the decision procedure, in so far as this law does not provide otherwise.

PAR. 2. For claims of the survivors the local insurance office or superior insurance office is also competent, in whose district the survivors reside.

ARTICLE 1786.

PARAGRAPH 1. If an office believes itself not to be competent, but that another office is the competent one, then it shall transfer the matter to the latter.

PAR. 2. If this office also does not believe itself to be competent, then article 1640, paragraphs 2 and 3, shall be applicable.

ARTICLE 1787.

In the case of a dispute between a sick fund and a miners' sick fund or a substitute fund, article 1775 shall be applicable.

ARTICLE 1788.

In so far as the highest administrative authorities have transferred decision rights to the administrative bodies specified in article 112, the decisions of these administrative bodies, as far as the legal remedies in the decision procedure are concerned, are equivalent to the decisions of the local insurance office.

ARTICLE 1789.

The same provisions as for the judgment procedure shall also be applicable to the disqualification and nonacceptance of persons, the elucidation of the state of affairs, as well as the securing of evidence.

ARTICLE 1790.

PARAGRAPH 1. The proceedings of the decision procedure are not public. With reservation of article 78, paragraph 3, article 1667 shall be correspondingly applicable to the voting of decision authorities for the decision chamber.

PAR. 2. The decision shall be delivered to the parties affected.

SECTION TWO.—APPEALS.

ARTICLE 1791.

An appeal against the decisions of the insurance carriers is permissible in so far as this law does not provide otherwise. The appeal shall be directed—

In matters of the sickness, and invalidity and survivors' insurance, to the local insurance office;

In matters of the accident insurance, to the superior insurance office.

ARTICLE 1792.

Against the decisions of the local insurance office as the authority of first instance the appeal to the superior insurance office is permissible, in so far as this law does not provide otherwise.

ARTICLE 1793.

Against the decisions of the superior insurance office as the authority of first instance the appeal to the Imperial Insurance Office (or the State insurance office, art. 1800) is permissible, in so far as this law does not provide otherwise.

ARTICLE 1794.

The authority which has to decide on the appeal may postpone the execution of the decision.

ARTICLE 1795.

If the appeal is permissible and has been filed in due time the parties affected shall be given a hearing.

ARTICLE 1796.

If the appeal is well founded, the authorities competent for the decision may either decide in the matter themselves or refer it back to an authority of lower instance or to the insurance carrier whose decision has been contested. Article 1715, paragraph 2, shall in such case be correspondingly applicable.

SECTION THREE.—FURTHER APPEALS.

ARTICLE 1797.

PARAGRAPH 1. In so far as this law does not provide otherwise, there is permissible against the decision issued on appeal by—

The local insurance office, the further appeal to the superior insurance office;

The superior insurance office, the further appeal to the Imperial Insurance Office (or the State insurance office).

PAR. 2. The same provisions shall be applicable to the procedure as to the appeal.

ARTICLE 1798.

The decisions issued on further appeal by the superior insurance office are final.

ARTICLE 1799.

If the superior insurance office desires to dissent in a case, in which it must decide finally, from an officially published and fundamental decision of the Imperial Insurance Office (or the State insurance office), or the matter to be settled in such a case deals with an interpretation of legal provisions of fundamental importance which have not yet been determined, then article 1693 shall regulate the procedure.

ARTICLE 1800.

PARAGRAPH 1. Where a State insurance office exists, it shall decide on decision matters, if the district of the insurance carrier affected does not extend beyond the territory of the federal State. Otherwise the decision shall be made by the Imperial Insurance Office.

PAR. 2. In so far as an insurance carrier is affected, for which according to paragraph 1 the Imperial Insurance Office or another State insurance office is competent, the decision shall be made by the Imperial Insurance Office.

ARTICLE 1801.

The provision of article 1716 relating to the publication of fundamental decisions shall also be applicable to decision matters.

D. COSTS AND FEES.

I. COSTS OF THE PROCEDURE.

ARTICLE 1802.

If a party affected has willfully or through obstructive measures or deception caused expenditures in the procedure, the insurance authority can charge the same to him, either wholly or partly.

ARTICLE 1803.

PARAGRAPH 1. In judgment matters of the sickness insurance the superior insurance office shall impose a fee upon the defeated party. It shall be fixed in proportion to the value of the thing in dispute, but shall not exceed 20 marks [$4.76] and shall be determined in the decision.

PAR. 2. The imperial decree relating to the procedure (art. 35, pär. 2) shall determine the particulars hereto.

PAR. 3. The highest administrative authority shall regulate the collection of the fee.

II. FEES OF LAWYERS.

ARTICLE 1804.

PARAGRAPH 1. The compensation for the professional services of lawyers in the procedure before insurance authorities shall be determined according to a schedule of fees.

PAR. 2. The schedule of fees shall be issued by imperial decree with the approval of the Federal Council and for the procedure before the State insurance office by the State government.

ARTICLE 1805.

An agreement as to higher amounts than those provided by the schedule of fees is void.

INTRODUCTORY LAW FOR THE WORKMEN'S INSURANCE CODE.[1]

SECTION A.

I. GENERAL PROVISIONS.

ARTICLE 1.

As far as the measures for its administration are concerned, the Imperial Insurance Code shall come into force at once.

ARTICLE 2.

PARAGRAPH 1. The provisions of its fourth book and the other provisions of the Imperial Insurance Code necessary for their operation, come into force on January 1, 1912.

PAR. 2. On this date article 15 of the customs-tariff law of December 25, 1902 (Reichs-Gesetzblatt, p. 303), shall be repealed. The sums accumulated and the interest (survivors' insurance fund, law of Apr. 8, 1907, Reichs-Gesetzblatt, p. 89) shall be used for the subsidies of the Empire for the survivors' insurance (arts. 1284 and 1285 of the Imperial Insurance Code).

ARTICLE 3.

The administration of the survivors' insurance fund shall be transferred to the imperial chancellor (Imperial Treasury Department) under the supervision of the imperial public debt commission. The law of June 1, 1909, on the administration of the imperial invalidity fund and the survivors' fund (Reichs-Gesetzblatt, p. 469), is repealed from October 1, 1911, as far as it relates to the survivors' fund.

ARTICLE 4.

PARAGRAPH 1. The dates on which the other provisions of the imperial insurance law will come in force shall be determined by imperial decree with the approval of the Federal Council.

PAR. 2. For the period up to December 31, 1914, the Federal Council may specify according to need, as to the term of office of the present representatives of the undertakers or other employers, as well as of the insured persons, in insurance authorities, lower administrative authorities, and insurance carriers. This is also applicable to nonpermanent members of the Imperial Insurance Office. For the nonpermanent members of the State insurance offices the highest administrative authority is competent in this regard.

ARTICLE 5.

On these dates (art. 2, and art. 4, par. 1), as far as this law does not provide otherwise, the Imperial Insurance Code takes the place of the corresponding provisions—

Of the sickness insurance law of June 15, 1883 (Reichs-Gesetzblatt, p. 73), in the form of April 10, 1892 (Reichs-Gesetzblatt, p. 379), and of the laws of June 30, 1900 (Reichs-Gesetzblatt, p. 332), and of May 25, 1903 (Reichs-Gesetzblatt, p. 233);

Of the law concerning the accident and sickness insurance of persons employed in agricultural and forestry establishments, of May 5, 1886 (Reichs-Gesetzblatt, p. 132), B. sickness insurance;

Of the law concerning the amendment of the accident insurance laws of June 30, 1900 (Reichs-Gesetzblatt, p. 573);

Of the industrial accident insurance law of June 30, 1900, in the form of the publication of July 5, 1900 (Reichs-Gesetzblatt, p. 585);

Of the accident insurance law for agriculture and forestry of June 30, 1900, in the form of the publication of July 5, 1900 (Reichs-Gesetzblatt, p. 641);

Of the accident insurance law for the building trades of June 30, 1900, in the form of the publication of July 5, 1900 (Reichs-Gesetzblatt, p. 698);

Of the navigation accident insurance law of June 30, 1900, in the form of the publication of July 5, 1900 (Reichs-Gesetzblatt, p. 716);

Of the invalidity insurance law in the form of the publication of July 19, 1899 (Reichs-Gesetzblatt, p. 463).

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[1] Einführungsgesetz zur Reichsversicherungsordnung. (Nr. 3922.) Vom 19. Juli 1911. Reichs-Gesetzblatt Aug. 1, 1911, pp. 839 ff.

ARTICLE 6.

PARAGRAPH 1. With reservation of paragraph 2 and of articles 85 to 99, the provisions of the Imperial Insurance Code relating to time limits are also in force for the time limits whose duration began before the dates specified in articles 2 and 4 but were not completed on these dates.

PAR. 2. The time limit shall be specified according to the old law, if it would be longer according to that than according to the Imperial Insurance Code.

PAR. 3. The beginning of the time limits shall be specified according to the old law.

II. INSURANCE AUTHORITIES.

ARTICLE 7.

PARAGRAPH 1. In so far as the provisions of the Imperial Insurance Code come into force, before the local insurance offices and superior insurance offices are established, then the duties assigned to them by those provisions or this law shall be assumed as follows:

In the case of judgment matters, the lower administrative authority shall take the place of the local insurance offices, and the arbitration courts that of the superior insurance offices;

In other respects, by the authorities specified by the highest administrative authority.

PAR. 2. The provisions contained in the following articles for local insurance offices and superior insurance offices are also applicable to these authorities.

ARTICLE 8.

PARAGRAPH 1. In place of the insurance representatives, the local insurance office shall call in the representatives of the employers and of the insured persons at the lower administrative authority or at the local pension office (*Rentenstelle*) (arts. 61, 81, and 82 of the invalidity insurance law).

PAR 2. As far as the district of an existing authority (art. 7) is not covered by that of the corresponding insurance authorities, the highest administrative authority shall determine particulars concerning the calling in of representatives or associates. The same is applicable where these duties are transferred to authorities other than the arbitration courts for workmen's insurance.

ARTICLE 9.

PARAGRAPH 1. On application of sick funds affected the local insurance office may decree that special representatives of the employers and insured persons shall be elected in equal number for its decisions relating to the forming and changing of the external and internal constitution of the sick funds. The election is governed according to articles 61 to 63 of the invalidity insurance law. However, the local insurance office can determine the number of the representatives according to need; in this case only the local, establishment, building, and guild sick funds, and the sickness insurance of the communes, are entitled to vote.

PAR. 2. The union of communes (arts. 526 and 527 of the Imperial Insurance Code) shall appoint one or more representatives to look after the rights of the groups which the Imperial Insurance Office has newly admitted to the sickness insurance.

PAR. 3. The highest administrative authority may specify the particulars herewith.

ARTICLE 10.

Competent employees who on account of the reorganization are no longer needed in the service of the insurance carriers shall, as far as possible, be given consideration in the appointment of new employees.

ARTICLE 11.

PARAGRAPH 1. The superior insurance office shall assume the rights and duties of the arbitration court for workmen's insurance. The documents are to be transferred to the superior insurance office. The State shall pay a proper compensation for the furniture in so far as it is not its property. In case of dispute, an arbitration court shall decide, according to articles 1025 et sequentia of the Code of Civil Procedure.

PAR. 2. The highest administrative authority may specify the particulars.

ARTICLE 12.

If the highest administrative authority so orders, the insurance association shall until April 1, 1912, permit the superior insurance office to retain those officials whom it has placed at the disposition of the arbitration court for workmen's insurance.

ARTICLE 13.

If a State insurance office is discontinued, the imperial chancellor, with the approval of the competent highest administrative authority, shall regulate the transfer of its powers to the Imperial Insurance Office.

III. SICKNESS INSURANCE.

ARTICLE 14.

PARAGRAPH 1. The imperial decree (art. 4) shall specify the date up to which all communal sickness insurance shall be closed. Articles 282 to 284 and 300 to 305 of the Imperial Insurance Code are correspondingly applicable to the closing. Assets shall be treated in the same manner as property of the communal sickness insurance. Article 294, paragraphs 1, 2, and 3, sentence 1, are here correspondingly applicable, but the additional funeral benefit shall be paid to all insured persons who are employed in a commune with such a special fund.

PAR. 2. Advances which have been paid according to article 9 of the sickness insurance law shall be refunded as far as any assets remain after the liquidation of the affairs (art. 303 of the Imperial Insurance Code).

ARTICLE 15.

PARAGRAPH 1. If a district for which, according to the Imperial Insurance Code, a local sick fund would have to be established already has a common local sick fund (art. 16, par. 4, and art. 43, of the sickness insurance law), whose membership includes all persons subject to insurance in the local fund according to the sickness insurance law, it may be developed into a general local sick fund for it.

PAR. 2. If the membership of a common local sick fund already embraces a large part of the persons subject to insurance in the local fund of the district according to the sickness insurance law, then this fund, with the approval of the superior insurance office, may be developed into a general local sick fund.

PAR. 3. Membership in such funds shall in such case be extended to all insured persons whom the Imperial Insurance Code assigns to the local sick funds.

ARTICLE 16.

If within the first three years after the Imperial Insurance Code comes into force the assets of a newly established local or rural sick fund are not sufficient to cover the expenditures which become due, then the union of communes must provide the necessary advances. The highest administrative authority may specify the particulars and determine the date up to which the advances shall be refunded.

ARTICLE 17.

The imperial decree (art. 4) shall specify the date up to which existing local sick funds for single or for several branches of industry or kinds of establishments or for members of one sex only, as well as existing establishment sick funds and guild sick funds, may submit to their local insurance office the application for authorization.

ARTICLE 18.

PARAGRAPH 1. A local sick fund may submit this application only if its general meeting has decided for it by a majority vote.

PAR. 2. In the case of an establishment sick fund the employer may submit the application after a hearing of the insured persons; in the case of a guild sick fund the guild may do so after a hearing of the journeymen's committee.

ARTICLE 19.

Simultaneously with the application for authorization, or, in case this is not possible, later on within a time limit determined by the local insurance office, a draft of the

constitution of the fund complying with the requirements of the provisions of the Imperial Insurance Code must be submitted.

ARTICLE 20.

The local insurance office (decision committee) shall investigate whether the conditions have been complied with under which the fund may be authorized, and shall transmit the application with the constitution and an opinion to the superior insurance office for decision. The parties affected have the right of appeal to the highest administrative authority within one month against the decision.

ARTICLE 21.

If, within six months after the date determined according to article 17, the constitution of a sick fund has not been made to correspond with the provisions of the Imperial Insurance Code, or if the application for admission has not been made in due time, the fund must be closed.

ARTICLE 22.

The superior insurance office shall specify whether a building sick fund shall continue as an establishment sick fund according to article 249 of the Imperial Insurance Code. It determines the amount of its benefits. If the constitution is not changed within the time limit specified, then it shall be changed on the initiative of the officials with legal validity.

ARTICLE 23.

On the authorization of a guild sick fund its property shall become part of its assets.

ARTICLE 24.

A person who has been a voluntary member of a guild sick fund until the present time is entitled to continue his membership.

ARTICLE 25.

PARAGRAPH 1. The imperial decree (art. 4) shall specify the date on the expiration of which the certificates issued to registered aid funds according to article 75a of the sickness insurance law become void.

PAR. 2. The application for authorization as substitute fund (art. 503 of the Imperial Insurance Code) may be granted only if the registered aid fund has submitted the application six months before this date.

ARTICLE 26.

On application and upon proof of the need therefor the Federal Council may also permit a mutual insurance association to be authorized as a substitute sick fund according to articles 503 et sequentia of the Imperial Insurance Code, if the association has been given a certificate as a registered aid fund according to article 75a of the sickness insurance law and such certificate is dated after April 1, 1909.

ARTICLE 27.

PARAGRAPH 1. The registered aid funds shall be considered as mutual insurance associations in the meaning of article 26 of this law, of articles 503 et sequentia, and of article 1438 of the Imperial Insurance Code until a law for the annulment of the law relating to registered aid funds (Reichs-Gesetzblatt, 1876, p. 125, and 1884, p. 54) comes into force.

PAR. 2. Until such a law comes into force, the following changes shall be made in the case of the aid funds and their members designated in article 503, paragraph 1, of the Imperial Insurance Code:

Article 504 of the Imperial Insurance Code shall replace article 6, paragraph 2, of the aid funds law (*Hilfskassengesetz*);

Article 508 of the Imperial Insurance Code shall replace article 12 of the aid funds law;
Article 509, paragraphs 1 to 3, of the Imperial Insurance Code shall replace article 13 of the aid funds law;
Article 511 of the Imperial Insurance Code shall replace article 15, sentence 3, of the aid funds law;
Article 512 of the Imperial Insurance Code shall replace article 15, sentences 4 and 5, of the aid funds law.

ARTICLE 28.

Registered aid funds which are not authorized as substitute funds shall in cases calling for relief, and which are in course of settlement after the date determined in article 25, paragraph 1, shall continue to grant the benefits to their members subject to insurance for the period provided by the constitution. Article 212 of the Imperial Insurance Code shall be correspondingly applicable to the sick fund of the insured person only after the expiration of this period. Controversies shall be decided by procedure of determination according to the Imperial Insurance Code.

ARTICLE 29.

PARAGRAPH 1. If when the Imperial Insurance Code comes into force insured persons subject to insurance in rural sick funds are members of a local or an establishment (or a building) sick fund, they may—

1. Remain members of their fund if it continues to exist;
2. Become members of the local sick fund which accepts the members of their branch of industry or in the absence of such a fund and if their former fund is dissolved, become members of the general local sick fund.
3. Again become members of the local sick fund, if on account of a change in employment they have become members for a period of not more than 26 weeks in another local sick fund, in a rural sick fund, in an establishment sick fund, or in a guild sick fund in the district of the same local insurance office.

PAR. 2. If they have made use of this right (No. 3), they may at the close of a fiscal year go over to the rural sick fund, if they have notified the directorate of their withdrawal at least three months in advance.

ARTICLE 30.

In cases of insurance for which at the time this law comes into force the obligation of the sick fund to grant benefits still continues according to the old law, the provisions of the Imperial Insurance Code are applicable beginning with this date in so far as they are more favorable to the beneficiary.

ARTICLE 31.

Statutory provisions which according to article 51, paragraph 2, of the sickness insurance law exempt the employer from the payment of a contribution at his own expense may remain in force for not more than five years after the date determined according to article 4.

ARTICLE 32.

For employees of a fund which in consequence of the reorganization has been dissolved or closed, the period of expiration of the contract relation is extended to 12 months regardless of article 302, paragraph 1, of the Imperial Insurance Code. Competent employees who in consequence of the reorganization are no longer needed in the service of a sick fund shall as far as possible be given consideration by the insurance carriers in the appointment of new employees.

ARTICLE 33.

PARAGRAPH 1. On the approval or the drawing up of the service regulations, the superior insurance office shall specify in what manner and within what time the service regulations must be made known to all employees of the fund. At the time of the notification the attention of the employees shall be called to the provisions of articles 34 to 37 and 39.

PAR. 2. The service regulations shall come into force on the expiration of one month after the date specified by the superior insurance office according to paragraph 1.

ARTICLE 34.

PARAGRAPH 1. With reservation of article 351, paragraph 2, of the Imperial Insurance Code, employees already in the service of sick funds before the promulgation of the service regulations are also subject to them in so far as according to State laws, they are not State or communal officials or exercise the rights and obligations of such officials according to article 359 of the Imperial Insurance Code.

PAR. 2. To these employees, all the provisions which the Imperial Insurance Code prescribes for employees subject according to it to the service regulations are also applicable. The contractual provisions which are permissible according to the Imperial Insurance Code and which relate to giving notice of dismissal or to discharge, if they have been agreed on with these employees before July 1, 1909, shall remain in force in so far as they do not run counter to articles 35 to 39.

PAR. 3. Employees of funds who give notice that they intend to resign before the service regulations come into force shall not be subject to them. If an employee gives such notice, then the service relation terminates on the expiration of six months, or if according to the contract, he may give notice of resignation at an earlier date than on such date.

ARTICLE 35.

PARAGRAPH 1. If the payments to an employee who, according to article 34 is subject to the service regulations, exceed the rates of the schedule of salaries, these payments shall be continued if they have been agreed on in this amount before January 1, 1908, or agreed on according to a schedule of salaries formulated before that date, or if the service regulations specify such a rate.

PAR. 2. Otherwise the local insurance office (decision committee) may on application of the directorate of the fund permit the payments to be continued. The application may be submitted only within one month after the service regulations come into force.

PAR. 3. The approval shall be refused if the payments are in striking disproportion to the rates of the schedule of salaries. Otherwise the approval may be refused in so far as the value of the payments exceeds that of the payments according to the schedule of salaries by more than one-fourth or has been agreed on only after July 1, 1910.

PAR. 4. If the approval is refused, the directorate of the fund has the right to appeal to the superior insurance office (decision chamber). It shall decide finally.

PAR. 5. Whatever applies to the payments to an employee shall also be applicable to his rights to retirement pension, waiting-money (*wartegeld*), or similar payments, as well as to the provision for his survivors.

ARTICLE 36.

If the higher payments according to article 35 can not be paid further, and if the employee is unwilling to continue the contract relation under the conditions of the new schedule of salaries after the date on which he could soonest be given notice to leave or be discharged, then the directorate shall at the earliest possible date make use of its right to give notice of dismissal or of discharge. Article 357, paragraph 2, of the Imperial Insurance Code is correspondingly applicable.

ARTICLE 37.

PARAGRAPH 1. Within two years after the service regulations come into force the local insurance office (decision committee) may decree that an employee subject to its orders according to article 34, whose technical knowledge and efficiency are evidently not sufficient for his position, shall be assigned to another position in the service of the fund which corresponds to his technical knowledge and efficiency. This is subject to the proviso that the employee has not been employed by the fund more than five years in his present or a similar position. No conclusion regarding the lack of technical knowledge shall be based on the fact that the employee has not gone through a specified course of education.

PAR. 2. At the same time the local insurance office may specify that the employee shall continue to receive his higher payments, in so far as they are not conspicuously out of proportion to the rates which the salary schedule provides for the position newly assigned.

PAR. 3. The directorate and the employee shall be given a hearing before the decree is issued; it shall be delivered to both of them. On appeal the superior insurance office (decision chamber) shall decide, and on further appeal the Imperial Insurance Office (decision senate). The time limit for the appeal and for the further appeal is one month for each of them.

PAR. 4. Within one month after the transmission of the final decree the employee shall declare to the directorate whether he is willing to accept the position. If he is unwilling, then the directorate shall give him notice of dismissal with a time limit of six months. If it can terminate the contract relation at an earlier date, it shall as soon as possible make use of its right of giving notice of dismissal or of discharge. Article 357, paragraph 2, of the Imperial Insurance Code is correspondingly applicable.

ARTICLE 38.

PARAGRAPH 1. Articles 349, 350, 354, paragraphs 2 to 6 and 358 of the Imperial Insurance Code shall at once come in force for all employees who in the future shall be subject to the service regulations. So long as the local insurance offices and the superior insurance offices have not been established, the courts of arbitration for workmen's insurance shall take the place of the local insurance office and the Imperial Insurance Office (or the State insurance office) that of the superior insurance office.

PAR. 2. The provisions of the Imperial Insurance Code relating to the judgment procedure are correspondingly applicable to the procedure and time limits. The imperial chancellor may specify the particulars in this connection.

ARTICLE 39.

Legal actions which have been taken after January 1, 1908, shall be ineffective, in so far as they frustrate or materially impede the execution of articles 34 to 38. The same is applicable to contractual provisions made before the service regulations come into force which withdraw from the regular courts disputes relating to pecuniary affairs between the sick fund and the employees on account of or originating in the giving of notice of dismissal or discharge.

ARTICLE 40.

If an employee during the period between May 30, 1911, and the coming into force of this law has been given notice of dismissal or received his discharge, the directorate shall, if he makes application within 14 days after the coming in force of this law, determine anew as to the giving of notice of dismissal or discharge; the earlier notice of dismissal or discharge becomes ineffective unless it is finally confirmed.

ARTICLE 41.

Contract relations existing at the time when the Imperial Insurance Code comes into force between sick funds and hospitals shall terminate not later than two years after this date, in so far as they run counter to the application of article 184, paragraph 5 or of article 371, paragraph 2 of the Imperial Insurance Code.

ARTICLE 42.

PARAGRAPH 1. Provisions of State laws which oblige the employer to make provision for the medical treatment and care of the sick domestic servants shall be abrogated.

PAR. 2. Provisions of the State laws which relate to the continuation of the payment of wages or of similar payments in times of sickness remain unaffected but with reservation of article 436 of the Imperial Insurance Code.

IV. ACCIDENT INSURANCE.

ARTICLE 43.

PARAGRAPH 1. For branches of industry which the Imperial Insurance Code subjects to the accident insurance for the first time, the Federal Council shall specify to what extent new accident associations shall be established or how far the branches shall be assigned to existing accident associations.

PAR. 2. A hearing shall be given in advance to the representatives of the industry branches affected as well as to the associations affected.

ARTICLE 44.

Until the date of the membership assignment to the system of mutual trade associations of branches of industry, which have just been subjected to the accident insurance, the Federal Council, after a hearing of the directorates of the associations affected, may separate branches of industry from existing accident associations and assign them to another accident association, or establish for them a special accident association, even if the conditions do not exist under which the status of accident associations can be changed either according to the Imperial Insurance Code or to the old law.

ARTICLE 45.

PARAGRAPH 1. If a new accident association is established, a general meeting shall be called which decides on the constitution. The meeting shall consist of delegates from chambers of commerce, chambers of handwork, chambers of industry, or similar economic bodies representative of the branches of industry affected.

PAR. 2. The highest administrative authority shall designate the bodies which may send delegates, and shall specify for each body the number of delegates according to its economic importance.

PAR. 3. If the district of an accident association extends beyond the territory of a federal State, the imperial chancellor after consultation with the highest administrative authority shall specify the bodies and the number of their delegates.

ARTICLE 46.

The Imperial Insurance Office shall convene the general meeting and direct the proceedings until a provisional directorate has been elected.

ARTICLE 47.

In the case of newly established accident associations, the first term of office of the representatives of the insured persons shall terminate on the same date on which the term of office of these representatives terminates in the case of the existing accident associations.

ARTICLE 48.

PARAGRAPH 1. The Imperial Insurance Office (or the State insurance office) shall specify the date up to which the accident associations shall decide on the changes in their constitutions according to the Imperial Insurance Code. This date shall be specified in such a manner that the constitutions may come in force at the time when the provisions of the Imperial Insurance Code relating to the accident insurance come in force.

PAR. 2. If the accident association does not comply with the decree in proper time, then the Imperial Insurance Office (or the State insurance office) shall change the constitution in accordance with its right of supervision.

ARTICLE 49.

Every undertaker of an establishment which the Imperial Insurance Code has for the first time subjected to the accident insurance shall, within a time limit to be determined and published by the Imperial Insurance Office, register the establishment at the local insurance office in whose district the establishment has its seat. The product and the class of the establishment and the average number of persons employed who are subject to insurance shall be stated.

ARTICLE 50.

PARAGRAPH 1. If the registration has not been made or is incomplete, the local insurance office shall itself give the data or supplement them according to its own knowledge of the conditions. By means of fines of not more than 100 marks [$23.80] it may compel the undertakers to give information within a set time limit.

PAR. 2. On appeal against the determination of the fine the superior insurance office decides finally.

ARTICLE 51.

PARAGRAPH 1. The local insurance office shall make up a list of the establishments designated in article 49 of its district which indicates by branches of industry the prod-

uct and the class of the establishments, as well as the number of employed persons who are subject to insurance.

PAR. 2. The list shall be submitted to the superior insurance office and if necessary be corrected by it.

ARTICLE 52.

The superior insurance office shall transmit the lists of these establishments subject to insurance located in its district to the Imperial Insurance Office; the latter shall refer the establishments to the competent directorates of associations.

ARTICLE 53.

Articles 49 to 52 are not applicable if the Empire, a federal State, a union of communes, a commune, or another public corporation is the insurance carrier.

ARTICLE 54.

So long as the accident associations have not invested one-fourth of their assets in bonds of the Empire or of the federal States (art. 718, par. 1, arts. 984, and 1157, of the Imperial Insurance Code) they must invest annually at least one-third of the increase of their assets in such bonds.

ARTICLE 55.

PARAGRAPH 1. Article 1, section 6, of the law relating to changes in the financial administration of July 15, 1909 (Reichs-Gesetzblatt, p. 743), shall be abrogated.

PAR. 2. With the approval of the imperial chancellor and within the first year after the coming into force of the third book of the Imperial Insurance Code the carriers of the accident insurance may pay to the Post Office Department in one amount the amounts still outstanding for the interest and refunding of the floating debt (arts. 779, 1028, and 1185, of the Imperial Insurance Code). An interest rate of 3½ per cent shall serve as basis in the computation of this sum.

PAR. 3. In the case of accident associations the general meeting of the association shall decide on the matter.

ARTICLE 56.

If undertakers of establishments or of activities which for the first time have been subjected to accident insurance by the Imperial Insurance Code, and before the coming into force of book three of the Imperial Insurance Code, have already concluded insurance contracts with insurance enterprises against accidents of the kind described in the Imperial Insurance Code, then the association on their application shall assume the rights and obligations arising out of these contracts. The application must be submitted to the directorate within six months after the date designated. The transfer is effective from the date on which the accident insurance comes into force for the establishment or the activity.

ARTICLE 57.

The same is applicable if insurance enterprises before the coming into force of book three of the Imperial Insurance Code have concluded such contracts with insured persons employed in establishments or activities which for the first time have been subjected to accident insurance by the Imperial Insurance Code.

ARTICLE 58.

PARAGRAPH 1. Articles 56 and 57 are not applicable if the contracts have been concluded after the publication of the decree designated in article 4 and within the last three months before the coming into force of the third book of the Imperial Insurance Code.

PAR. 2. This provision shall not be applicable if within the time designated the contract has been tacitly extended.

ARTICLE 59.

The expenditures incurred by the association from the taking over of insurance contracts shall be covered by assessments on the members, and in so far as the activity is insured on the premium basis in a branch institute this shall be considered at the next determination of the premiums.

ARTICLE 60.

PARAGRAPH 1. With reservation of articles 85, 87 to 93, and 96 to 99, the provisions of the Imperial Insurance Code shall, if they are more favorable to the beneficiaries, be applied to the first determination of claims for compensation resulting from accidents which have happened before the third book of the Imperial Insurance Code comes into force. This is only applicable if the beneficiary already had a claim to compensation according to the old law, and if on that date no legal decision on the matter has been made.

PAR. 2. Paragraph 1 is only applicable to claims of compensation resulting in the case of a death, if the death of the injured person has also occurred before the third book of the Imperial Insurance Code comes into force.

ARTICLE 61.

In so far as a pension already determined has been suspended according to the old law, but not according to the new one, the provisions of the Imperial Insurance Code relating to the suspension of pensions are applicable to it beginning with the date when these provisions come into force; in such cases a new decision shall be announced.

ARTICLE 62.

PARAGRAPH 1. The provisions relating to settlements to aliens by the payment of a capital sum corresponding to the value of their annuity, shall also be applicable to pensions which have been determined before these provisions come into force.

PAR. 2. If such a settlement is determined within the first three years after these provisions come into force, then the association may draw the means for it from the reserve. The reserve shall later be replaced according to decree of the Imperial Insurance Office (or the State insurance office).

ARTICLE 63.

During the year 1913 the Federal Council shall lay before the Reichstag the legal provisions relating to reserves for a new decision.

V. INVALIDITY AND SURVIVORS' INSURANCE.

ARTICLE 64.

PARAGRAPH 1. If insured persons become invalids within the first five years after the insurance obligation for their branch of industry has come into force, then the duration of such earlier employment, for which the insurance obligation has been introduced in the meantime, shall be included in the computation of the waiting term for the invalidity pension (art. 1278, No. 1, of the Imperial Insurance Code).

PAR. 2. It shall be included in the computation only in so far as the employment occurs within the last five years before the beginning of the invalidity, and only for such insured persons who, after the insurance obligation for their branch of industry comes into force as can prove the payment of at least 40 computable contributory weeks on the basis of the insurance obligation.

PAR. 3. Whether voluntary and compulsory contributions which have been legally used before the insurance obligation came into force shall be included in the computation, shall not be affected in this case.

ARTICLE 65.

PARAGRAPH 1. Insured persons who, when the insurance obligation for their branch of industry comes into force, have completed their fortieth year of life, shall be credited in the computation of the waiting term for the old-age pension with 40 weeks for each full year of their age in excess of 40 years, and a proportionate number of weeks up to 40 for the part of such a year in excess.

PAR. 2. The insured persons must prove that during the three years immediately preceding the coming into force of the insurance, that they have been engaged in an employment as an occupation, even though with interruptions, which was already subject to insurance or has become such in the meantime. Whoever can prove a minimum of 200 computable contributory weeks on the basis of this insurance obligation for the first five years after the coming in force of the insurance obligation, is exempt from this proof.

ARTICLE 66.

PARAGRAPH 1. In the cases mentioned in articles 64 and 65, a period of military service or sickness computable according to article 30, paragraphs 2 to 6 of the invalidity insurance law, or according to articles 1393 and 1394 of the Imperial Insurance Code, as well as the period of the former receipt of an invalidity pension (art. 47, par. 4 of the invalidity insurance law, and art. 1309 of the Imperial Insurance Code) is equivalent to a labor or service status for the period before the insurance obligation comes into force.

PAR. 2. The same is applicable for a maximum of four months during one calendar year to periods of—

1. Temporary interruption of a permanent labor or service status with a specified employer;
2. Such temporary interruptions which recur periodically (seasonal labor) in the case of an employment which is a regular occupation;
3. An employment undertaken for the purpose of gain in spinning, knitting, or similar light home work which is customary for weak or aged persons.

ARTICLE 67.

PARAGRAPH 1. If less than 400 contributory weeks have been proved at the granting of an old-age pension according to article 65, then contributions of that wage class which corresponds to the average annual earnings of the insured person during the three years specified in article 65, paragraph 2, sentence 1, shall be applied for the missing weeks; these shall be not lower than the contributions of the first wage class.

PAR. 2. If more than 400 contributory weeks have been proved, then the procedure shall be according to article 1293 of the Imperial Insurance Code.

ARTICLE 68.

In the computation of the waiting term for the claim to survivors' pensions (arts. 1252 and 1278, No. 1, of the Imperial Insurance Code) the contributions paid according to the invalidity insurance law shall also be included up to December 31, 1930. After this date only contributions paid for the period after January 1, 1912, shall be included in the computation of the waiting term.

ARTICLE 69.

In rating the survivors' benefits (arts. 1292 and 1296 of the Imperial Insurance Code) in order to compute the basic amount of the invalidity pension, the number of weeks short of 500 contributory weeks for the time after January 1, 1912, shall be made up from the highest contributions paid according to the invalidity insurance law. If the number of these contributions is not sufficient, Wage Class I shall be applied to the missing ones. Only contributions paid for the period after January 1, 1912, shall be included in the computation of the supplementary rates of increase.

ARTICLE 70.

To the extent that the invalidity insurance shall be extended to new branches of industry after January 1, 1912, article 64 shall be applied in the computation of the waiting term for claims of the survivors' insurance.

ARTICLE 71.

PARAGRAPH 1. Survivors of such insured persons who died before January 1, 1912, shall have no claim to the benefits provided by book four of the Imperial Insurance Code.

PAR. 2. The same is applicable to the survivors of such insured persons who, on the date named and in the meaning of article 5, paragraph 4, of the invalidity insurance law, were permanently disabled, and later died without having recovered their earning capacity in the meantime.

PAR. 3. Article 1291 of the Imperial Insurance Code is only applicable to persons in receipt of an invalidity pension whose permanent invalidity occurred after December 31, 1911, or whose pension begins after this date according to article 1255, paragraph 3, of the Imperial Insurance Code.

ARTICLE 72.

PARAGRAPH 1. Stamps of old denominations (art. 130 of the invalidity insurance law) shall no longer be used for the time after January 1, 1912.

PAR. 2. Within two years after the expiration of their validity, stamps no longer valid may be exchanged for valid stamps of the same money value at the places designated for their sale.

ARTICLE 73.

PARAGRAPH 1. After January 1, 1912, those persons who were exempt according to article 5, paragraphs 1 and 2, of the invalidity insurance law, again become subject to insurance, unless the conditions of article 1234 of the Imperial Insurance Code are applicable in their cases.

PAR. 2. The same is applicable for persons exempt according to article 6, paragraph 1, and article 7, of the invalidity insurance law, so long as they are not again exempted from the insurance obligation according to the Imperial Insurance Code.

ARTICLE 74.

If, before January 1, 1912, or within one year after this date, an insured person whose claim has lapsed again takes up an employment subject to insurance, or renews the insurance status by the payment of voluntary contributions, then the provisions of article 46, paragraph 4, of the invalidity insurance law shall continue to be applicable in regard to making the claim valid again, so long as the claim does not lapse a second time.

ARTICLE 75.

PARAGRAPH 1. Article 43 of the invalidity insurance law remains applicable to those persons who before January 1, 1912, have become permanently disabled by accident in the meaning of article 5, paragraph 4, of the invalidity insurance law.

PAR. 2. Article 44 of the invalidity insurance law remains applicable to the refund of contributions of those persons who have died before January 1, 1912. Article 1522, paragraph 1, sentences 1 and 2, of the Imperial Insurance Code, shall be correspondingly applicable if the death on which the claim to the refund of contributions is based has been caused by an accident which is to be compensated according to the accident insurance laws. The insurance institute may demand reimbursement from the accident pension; articles 1507, 1523, and 1526 of the Imperial Insurance Code are in such case correspondingly applicable.

ARTICLE 76.

Contributions shall be refunded after January 1, 1912, according to article 42 of the invalidity insurance law, only if the application has been submitted before the publication of the Imperial Insurance Code.

ARTICLE 77.

For cases in which after January 1, 1912, contributions have still to be paid, article 128, paragraph 6, of the invalidity insurance law continues to be applicable.

ARTICLE 78.

Article 75, paragraph 2, sentences 2 and 3, and article 77, shall be correspondingly applicable to special institutes.

ARTICLE 79.

Claims to invalidity or old-age pensions for which on January 1, 1912, the determination procedure is still pending, are subject, with reservation of article 71, paragraph 3, and of articles 85, and 94 to 99, to the provisions of the Imperial Insurance Code, if these are more favorable to the beneficiaries. In so far as the Imperial Insurance Code is applicable, its nonapplication shall be considered a reason for revision (art. 1697 of the Imperial Insurance Code), even if the arbitration court could not yet apply it.

ARTICLE 80.

Article 61 is correspondingly applicable to invalidity and old-age pensions.

ARTICLE 81.

PARAGRAPH 1. The supervisory authority shall specify the date up to which the insurance institutes and the authorized special invalidity institutes (special institutes) must decide on the amendment of their constitutions according to the Imperial Insurance Code. This date is to be specified in such a manner that the constitutions may come in force on January 1, 1912.

PAR. 2. If an insurance carrier does not comply with the decree in due time, then the supervisory authority shall amend the constitution.

ARTICLE 82.

Article 54 is correspondingly applicable to the insurance institutes.

ARTICLE 83.

PARAGRAPH 1. Up to March 31, 1912, special invalidity institutes authorized according to the laws of June 22, 1889, and July 13, 1899, shall be regarded by the Federal Council as special institutes according to articles 1360 to 1380 of the Imperial Insurance Code without a new authorization. When the survivors' insurance comes into force, they must grant survivors' pensions according to the Imperial Insurance Code.

PAR. 2. The validity of the contributions paid after survivors' insurance comes into force and up to March 31, 1912, may not be contested because their amount was afterwards proved to be insufficient.

ARTICLE 84.

During the year 1915 the Federal Council shall present to the Reichstag the legal provisions relating to old-age pensions for a new decision.

VI. PROCEDURE.

ARTICLE 85.

If a procedure is already pending on the date on which the provisions of book 6 of the Imperial Insurance Code come into force then it shall be terminated according to the provisions in force up to the present time, unless articles 86 to 99 provide otherwise.

ARTICLE 86.

If, on the date specified in article 85, a procedure which is to be discharged according to article 58 (or according to art. 65, par. 3, art. 72, pars. 2 and 4, and art. 73, par. 1) of the sickness insurance law, is still pending before the supervisory authority of a communal sickness insurance or of a sick fund, then the matter is to be transferred to the local insurance office, if it has not yet been decided; the provisions of the Imperial Insurance Code are applicable to the further procedure.

ARTICLE 87.

The provision of article 86 is also applicable to the following cases in which—

1. The decision has been transferred to another authority in place of the supervisory authority (art. 58, par. 1, sentence 2, and art. 84, par. 3, of the sickness insurance law);
2. On the date specified in article 85 a procedure is pending before the supervisory authority according to—

Article 136, paragraph 6, of the law of May 5, 1886, relating to the accident and sickness insurance of persons employed in agricultural and forestry establishments;

Article 26, paragraph 2, and article 27, of the industrial accident insurance law;

Article 29, article 31, paragraph 2, and article 32, of the accident insurance law for agriculture and forestry;

Articles 9 and 11 of the building accident insurance law;

Article 30, paragraph 2, articles 31 and 156, of the navigation accident insurance law;

Article 23, paragraph 2, of the invalidity insurance law.

ARTICLE 88.

PARAGRAPH 1. The provisions of the Imperial Insurance Code are applicable to the determination for the first time of benefits of the accident insurance, if on the date specified in article 85 the preliminary decision has not yet been given (art. 70, par. 1, of the industrial accident insurance law, art. 76, par. 1, of the accident insurance law for agriculture and forestry, art. 37, par. 1, of the building accident insurance law, and art. 75, par. 1, of the navigation accident insurance law).

PAR. 2. The same is applicable to the new determination of benefits of the accident insurance in the form of treatment in a medical institution.

ARTICLE 89.

The old provisions are applicable to the new determination of benefits of the accident insurance after a change of condition, if before the date specified in article 85—

The beneficiary has been notified of the reasons on account of which the pension is to be reduced or withdrawn; or

The claim for an increase or for a second grant of the pension has been submitted; or

The application for a decision has been submitted to the arbitration court.

ARTICLE 90.

PARAGRAPH 1. The provisions of the Imperial Insurance Code shall be applied if the insurance carrier has on the date specified in article 85 not yet received a notification, in cases in which—

Benefits of the accident insurance shall cease, because the right to the receipt of the pension has been suspended; or

An accident pension shall be replaced by the payment of a lump sum.

PAR. 2. The same is applicable to cases in which the accident insurance carrier is willing to grant treatment in a medical institution.

ARTICLE 91.

PARAGRAPH 1. The procedure for the determination as to which carrier of the accident insurance shall be required to pay compensation (art. 73, par. 2, of the industrial accident insurance law, art. 79, par. 2, of the accident insurance law for agriculture and forestry, and art. 78, par. 2, of the navigation accident insurance law), shall be regulated according to the Imperial Insurance Code, if the application for the decision of the Imperial Insurance Office (or the State insurance office) has been submitted after the date specified in article 85.

PAR. 2. The same rule shall be applicable in regard to the distribution of the cost of compensation among several carriers of the accident insurance (art. 85 of the industrial accident insurance law, art. 91 of the accident insurance law for agriculture and forestry, art. 37, par. 1, of the building accident insurance law, and art. 89 of the navigation accident insurance law).

ARTICLE 92.

Article 1608, paragraph 2, sentence 2 of the Imperial Insurance Code shall not be applicable, if the new procedure is regulated according to the Imperial Insurance Code; however, the earlier procedure is regulated according to the old provisions.

ARTICLE 93.

The provision of article 43, paragraph 2, of the accident insurance law for agriculture and forestry shall remain in force so long as disputes relating to agriculture and forestry are still to be settled by administrative procedure according to the old provisions after the date specified in article 85.

ARTICLE 94.

PARAGRAPH 1. If on the date specified in article 85 the lower administrative authority or the local pension office (*Rentenstelle*) has, in matters of the invalidity insurance, not yet given an opinion on an application for the granting, withdrawal, or suspension of benefits, then the matter shall be transferred to the local insurance office; the further procedure shall be regulated according to the Imperial Insurance Code.

PAR. 2. The same rule is applicable in cases of article 112, paragraph 3, of the invalidity insurance law, if the oral proceeding is to be taken up later.

ARTICLE 95.

The procedure in the case of the refund of contributions (art. 42 to 44 of the invalidity insurance law) shall be regulated according to the provisions in force up to the present time; but, beginning with the date specified in article 85, the local insurance office shall take the place of the lower administrative authority or of the local pension office (*Rentenstelle*) or of the authority designated by the highest administrative authority (art. 128, par. 1 of the invalidity insurance law).

ARTICLE 96.

Against decisions which have become valid before the date specified in article 85, or have been handed down in a procedure according to the old provisions and have become valid after that date, the resumption of the procedure shall take place according to the Imperial Insurance Code.

ARTICLE 97.

For the settlement of matters pending to which the old provisions are to be applied, the superior insurance offices after their establishment shall take the place of the arbitration courts, and the newly formed senates of the Imperial Insurance Office (or State insurance office) that of the old senates.

ARTICLE 98.

The highest administrative authority shall specify on which date the superior insurance office shall select for the first time according to article 1686 of the Imperial Insurance Code from its district the physicians whom it wishes to call in as experts according to need. Up to this time, the physicians already elected shall also be called in as experts for those matters which are to be decided according to the Imperial Insurance Code.

ARTICLE 99.

Within the first five years after the date specified in article 85, the superior insurance office shall also transmit the case according to articles 1693 and 1799 of the Imperial Insurance Code to the Imperial Insurance Office (or State insurance office) for decision if it desires to dissent in matters of the sickness insurance from a decision of the Imperial Supreme Court (*Reichsgericht*) or of the highest administrative court of the federal State in which it has its seat.

VII. FINAL PROVISION.

ARTICLE 100.

The Federal Council may decree still other transitory regulations. The regulations shall be published in the Reichs-Gesetzblatt and be presented to the Reichstag at its next session for its information.

SECTION B.

ARTICLE 101.

PARAGRAPH 1. On the date specified in article 4, the following shall be abrogated: Number 5 of article 4, paragraph 1, of the law on industrial courts (Reichs-Gesetzblatt, 1901, p. 353) and number 5 of article 5, of the law relating to commercial courts (Reichs-Gesetzblatt, 1904, p. 266).

PAR. 2. Disputes which have become pending before this date shall be settled by the authorities which have been competent up to the present time.

ARTICLE 102.

On the date specified in article 4, article 90 of the Industrial Code shall be abrogated.

ARTICLE 103.

On the date specified in article 4, the following articles of the Industrial Code shall take the forms specified below:

Article 62, paragraph 2.
Articles 81a, 81b, and article 95, paragraph 4.
Article 98, paragraph 3.
Articles 100l, 100m, and 100n, paragraph 1.

Article 62, Paragraph 2.

The permission shall be refused in so far as one of the conditions designated in article 57 is applicable to them, or if the sick-fund contributions required by the Imperial Insurance Code have not been paid for them or no respite has been granted for the payment; in addition, it may only be refused, in so far as one of the conditions designated in articles 57a and 57b is present. The permission shall be revoked according to the provisions of article 58 by one of the authorities competent for the granting of it.

Article 81a.

The purpose of the guilds shall be—

1. The cultivation of a spirit of mutual regard as well as the maintenance and development of professional ethics among the members of the guild.
2. The promotion of cordial relations between masters and journeymen (helpers) as well as provision for journeymen's lodging houses and employment bureaus.
3. The detailed regulation of the apprenticeship system and the provision for the technical, industrial, and ethical education of the apprentices, with reservation of articles 103e and 126 to 132a.
4. The settlement of disputes of the kind specified in article 4 of the law on industrial courts (Reichs-Gesetzblatt, 1901, p. 353) between members of the guild and their apprentices.

Article 81b.

PARAGRAPH 1. The guilds are authorized to extend their activities to other common industrial interests of the members of the guild. In addition to the establishment of guild sick funds, they are specially authorized—

1. To take measures for the promotion of the industrial, technical, and ethical education of the masters, journeymen (helpers), and apprentices, especially to assist, establish, and direct schools as well as to issue provisions for the utilization and attendance of the schools established by them.
2. To hold examinations for masters and journeymen, and to issue certificates based on the examinations.
3. To establish funds for the relief of their members and their relatives, their journeymen (helpers) and workmen in case of sickness, death, disablement, or other need.
4. To establish arbitration courts, which, in the place of the otherwise competent authorities, are to settle disputes of the kind designated in article 4 of the law on industrial courts between the members of the guild and their journeymen (helpers) and laborers.
5. To establish mutual enterprises for the promotion of the business of the members of the guild.

PAR. 2. The establishment and the legal status of sick funds shall be regulated according to the Imperial Insurance Code.

Article 95, Paragraph 4.

The execution of decisions of the guild meeting on matters specified in paragraph 2 must have the approval of the journeymen's committee. If the approval is refused, then the supervisory authority may supplement the same. The participation of the journeymen's committee in the affairs of the guild sick funds shall be regulated according to the Imperial Insurance Code.

Article 98, Paragraph 3.

If other relief funds have been combined with the guild as guild sick funds, then the superior administrative authority may, after the dissolution or closing of the guild, grant them corporation rights; in this case the funds retain their assets.

Article 100l.

If other funds for the relief of sickness have been united as guild sick funds with a guild which has been closed on account of the establishment of a compulsory guild, then articles 98 and 98a shall be applicable. With the approval of the representation of the relief fund, the compulsory guild may take this fund over with all its rights and obligations, in so far as statutory provisions or provisions of the State law do not forbid such action. In the latter case the existing members of this fund are entitled to belong to it even if they do not belong to the compulsory guild.

Article 100m.

If members withdraw from a guild because of the establishment of a compulsory guild from an existing guild, with which another relief fund was united as a guild sick fund (art. 100b, par. 5,) then they may continue to belong to this fund.

Article 100n, Paragraph 1.

Members of guilds shall not be obliged, against their will, to participate in other relief funds as guild sick funds.

Article 104.

In so far as laws and other legal rules refer to provisions which the Imperial Insurance Code or which this law takes over, amends, or abrogates, the corresponding provisions of the Imperial Insurance Code or of this law shall take the place thereof.

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